OFFICIAL STATEMENT

Redevelopment Agency of The City of Santa Fe Springs

Los Angeles County, California

$3,500,000 Oil Field Redevelopment Project, 1977 Tax Allocation Bonds

Bids to be received on or prior to
11:00 A.M., Thursday, June 16, 1977 at the
Offices of O'Melveny & Myers, Bond Counsel to the Agency,
36th Floor Conference Room, 611 W. Sixth Street,
Los Angeles, California.

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Los Angeles County, California

CITY COUNCIL AND MEMBERS OF THE AGENCY

Archie E. Beasor, *Mayor and Chairman of the Agency*

William Emmens
William J. McCann
Betty Wilson
Armando J. Mora

CITY AND AGENCY STAFF

Robert L. Williams, *City Manager and City Clerk*

Richard H. Weaver, *Executive Director/Secretary of the Agency and Director of Planning and Development of the City*

William Camil, *Agency Counsel and City Attorney*

Donald M. Nuttall, *City Finance Director and Treasurer of the Agency*

Glen E. Danielsen, *City Director of Public Works*

Slum clear. Santa Fe Springs
Publ. debts Munic " "
Invest public securities
[Stone + Youngberg...]

SPECIAL SERVICES

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*
Financing Consultants

Bank of America N.T. & S.A., *Los Angeles*
Fiscal and Paying Agent

(Co-paying agents in New York and Chicago to be named by Agency)

THE DATE OF THIS OFFICIAL STATEMENT IS MAY 26, 1977

CITY OF SANTA FE SPRINGS

City Hall, 11710 Telegraph Road—P.O. Box 2120—(213) 868-0511
Santa Fe Springs, CA 90670
(Redevelopment Agency of the City of Santa Fe Springs)

May 26, 1977

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of $3,500,000 Oil Field Redevelopment Project, 1977 Tax Allocation Bonds (the "Bonds"), authorized and issued for the purpose of assisting in the financing of said Project, paying of expenses in connection with issuance, and providing reserve funds as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Redevelopment Agency of the City of Santa Fe Springs with regard to the Oil Field Redevelopment Project, 1977 Tax Allocation Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Community Redevelopment Law, the Redevelopment Plan for said Project (as amended), financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Executive Director of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from said Executive Director.

The legal opinion, approving the validity of the Bonds, will be furnished by O'Melveny & Myers, Los Angeles, California, Bond Counsel to the Agency. Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth hereinafter under the caption "The Bonds"—*"Legal Opinion"*.

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

Redevelopment Agency of
The City of Santa Fe Springs

/s/ ARCHIE E. BEASOR
Chairman

/s/ RICHARD H. WEAVER
Executive Director

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INTRODUCTION

The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

Financing of redevelopment projects in California may be provided through the issuance of tax allocation bonds or notes by the agency. These types of obligations are payable from property taxes collected from within a project upon the increase in assessed valuation which has resulted from redevelopment, as more fully described in this official statement. The local community may also advance funds to the redevelopment agency to help meet project costs, in which event, the advances may be repaid from such increased taxes.

In April of 1961 the Santa Fe Springs City Council determined that there was a need for redevelopment of portions of the city, and by resolution activated the Redevelopment Agency of the City of Santa Fe Springs, which is a public entity separate and apart from the city. Members of the City Council also constitute the membership of the Agency governing board, and city employees are assigned as Agency staff members. Since April of 1966, the Agency has adopted four redevelopment projects, one of which is an essentially complete residential project, the Flood Ranch Redevelopment Project, (under which federal financial assistance was obtained pursuant to the Urban Renewal Program of the U.S. Department of Housing and Urban Development), and the other three are nearby areas of predominantly underdeveloped property which

are being developed primarily for industrial and office uses. All four of the Agency's redevelopment projects have experienced a growth of assessed valuations above such valuations that existed prior to adoption of the respective redevelopment plans, as a result of new construction, upgraded land uses, reassessment of existing property by the county, and installation of tenant improvements.

The Agency and the City of Santa Fe Springs are actively promoting further development, and in June of 1976 sold two issues of tax allocation bonds secured by increased property tax receipts from the adjoining Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects (in respective principal amounts of $1,250,000 and $2,770,000). Proceeds received from the sale of the respective bond issues are being used to finance the cost of public improvements (among other authorized uses) in order to facilitate and encourage additional private development. In addition, the Agency sold $2,020,000 of tax allocation bonds in January of 1977 on behalf of the Flood Ranch Redevelopment Project to repay the city for advances previously made and to finance certain public improvements of benefit to this Project.

The $3,500,000 principal amount of 1977 Tax Allocation Bonds described herein are being issued on behalf of the Oil Field Redevelopment Project (the "Project"), the fourth adopted by the Agency in August of 1973. Such Project adjoins the Norwalk Boulevard and Pioneer-Telegraph Redevelopment Projects, and completes the coverage of relatively undeveloped surface rights in the industrial City of Santa Fe Springs. Assessed valuations within the Oil Field Redevelopment Project have increased by $5,657,259 from the "base year" valuations (as defined herein) of $22,187,075 to the 1976/77 valuation of $27,844,334, subject to potential adjustments discussed in this official statement. Increased assessed valuations have occurred primarily from new construction within the Project and from the valuation assigned to up-graded land values, furnishings, fixtures and business inventories.

Tax Revenues (as defined herein) pledged as security for the Bonds now being issued are estimated at a minimum of $667,900 per year, on the basis of a report of the actual amount of such Tax Revenues that would be allocated to the Redevelopment Agency of the City of Santa Fe Springs during the current 1976/77 fiscal year. Such Tax Revenues will cover assumed average annual debt service on the Bonds now being offered by approximately 2.02 times (exclusive of application of reserves and interest earnings on specified invested funds).

Additional particulars are included in the body of this official statement, to which reference is hereby made.

This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Notice Inviting Bids, and Resolution No. 18-77 of the Redevelopment Agency of the City of Santa Fe Springs for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.

THE BONDS

The statements herein concerning the Bonds and the Resolution are summaries of certain provisions thereof. They make use of definitions, do not purport to be complete, and are qualified in their entirety by reference to the Resolution, a copy of which accompanies this official statement as originally distributed.

Authority for Issuance

The $3,500,000 Oil Field Redevelopment Project, 1977 Tax Allocation Bonds (hereinafter sometimes referred to as the "Bonds"), currently being offered, were authorized pursuant to a resolution of the Redevelopment Agency of the City of Santa Fe Springs, adopted May 26, 1977 (the "Resolution"). The Bonds will be issued under the provisions of and in full conformity with the Constitution and laws of the State of California, including the Community Redevelopment Law (commencing with Section 33000 of the California Health and Safety Code — the "Law"), and acts amending or supplementing that Law.

Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Redevelopment Agency of the City of Santa Fe Springs until 11:00 A.M., Thursday, June 16, 1977. Details as to the terms and place of sale are included with the Notice Inviting Bids, adopted May 26, 1977, a copy of which is included with this official statement as originally distributed.

Description of Bonds

The $3,500,000 principal amount of Oil Field Redevelopment Project, 1977 Tax Allocation Bonds will be dated as of June 1, 1977 and be issued either in coupon form in denominations of $5,000 each, numbered 1 through 700, or in fully registered form in the denomination of $5,000 or any multiple thereof, maturing on December 1 in the years and in the amounts shown below. Interest is payable semiannually on June 1 and December 1, commencing June 1, 1978 (representing one year's interest). The Bonds, the interest thereon, and any premiums upon the redemption thereof prior to maturity are payable at the Los Angeles principal office of the Fiscal Agent, Bank of America N.T. & S.A. (Corporate Agency Division), or at paying agents of the Agency to be named by the Agency in Chicago, Illinois or New York, New York, at the option of the holder.

Maturity Date December 1	Principal Amount
1978	$ 90,000
1979	95,000
1980	100,000
1981	110,000
1982	115,000
1983	125,000
1984	130,000
1985	140,000
1986	150,000
1987	160,000
1988	170,000
1997	2,115,000

Registration

The Bonds will be issued as coupon bonds or as fully registered bonds, at the holders' option, with the privilege of exchange as set forth in the Resolution.

Redemption Provisions

Bonds maturing on or prior to December 1, 1988, a total principal amount of $1,385,000 (the "Serial Bonds"), are not subject to call or redemption prior to their respective maturity dates. Bonds maturing on December 1, 1997, a total principal amount of $2,115,000 (the "Term Bonds"), are subject to call and redemption as a whole or in part, by lot, at the option of the Agency, from any available source of funds, on any December 1 commencing with December 1, 1989, upon payment of accrued interest to the date of call and a redemption price equal to the principal amount plus a premium, as shown in the following schedule (computed upon the principal amount of Bonds called for redemption). Notice of call for redemption shall be given as provided in the Resolution.

REDEMPTION DATES AND PREMIUMS

103½ %	if redeemed on or after December 1, 1989, and before December 1, 1990;
103 %	if redeemed on or after December 1, 1990, and before December 1, 1991;
102½ %	if redeemed on or after December 1, 1991, and before December 1, 1992;
102 %	if redeemed on or after December 1, 1992, and before December 1, 1993;
101½ %	if redeemed on or after December 1, 1993, and before December 1, 1994;
101 %	if redeemed on or after December 1, 1994, and before December 1, 1995;
100½ %	if redeemed on or after December 1, 1995, and before December 1, 1996;
100 %	if redeemed on or after December 1, 1996.

Legal Opinion

The opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the Agency, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by an appropriate officer of the Agency, acting in his official capacity, to the effect that to the best of his knowledge and belief, and after reasonable investigation: (i) neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement; and (iii) there has been no material adverse change in the operation or financial affairs of the Agency since the date of such Official Statement.

Other Closing Documents

In addition to the opinion of Bond Counsel and the Certificate Concerning the Official Statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency certifying that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds.

2. **Signature and No Litigation Certificate.** A certificate of the Agency signed by officers and representatives of the Agency certifying to the following: (1) that said officers and representatives have signed the Bonds, whether by facsimile or manual signature, and that they were respectively duly authorized to execute the same; and (2) that there is no litigation threatened or pending affecting the validity of the Bonds.

3. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the Agency.

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The California Community Redevelopment Law provides that bonds authorized and issued in the same manner and for the same purposes as the Oil Field Redevelopment Project, 1977 Tax Allocation Bonds shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such bonds are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that bonds of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state. A separate ruling from said Superintendent of Banks has not been requested for these Bonds.

Purpose and Disposition of Bond Proceeds

Proceeds of the Bonds are to be used to finance acquisition of property, construction of public improvements and related expenses, and to repay all or any portion of city advances to the Project, as described in the section of this official statement entitled "The Oil Field Redevelopment Project".

Under the provisions of the Resolution, the Fiscal Agent will receive the proceeds from the sale of the Bonds and will apply them as follows:

(1) A sum equal to two times the maximum annual interest on the Bonds (the "Minimum Reserve") will be deposited in the Reserve Account of the Oil Field Redevelopment Project Special Fund (hereinafter described).

(2) The balance of the proceeds will be deposited in the Oil Field Redevelopment Project Redevelopment Fund (hereinafter described), to be expended for the purposes for which the Bonds were issued.

The estimated amount of Bond proceeds to be used for each of the specified purposes is as shown in the tabulation in the next column.

OIL FIELD REDEVELOPMENT PROJECT

Disposition of Bond Proceeds

Repayment of city advances, public improvements and property acquisition①	$2,775,000
Reserve Account (2 years' interest estimated @ 6½%)	455,000
Provision for Bond discount (5% maximum)	175,000
Costs of issuance (legal, financing, printing, etc.)	95,000
Principal Amount of Bonds	$3,500,000

① Public improvements consist primarily of street improvements, grade crossing separation, and utility installation and relocation.

Security

The Bonds are payable from any available funds of the Agency and are secured by a first and exclusive pledge of all Tax Revenues (as defined below) and all moneys in the Reserve Account (to be established with the Fiscal Agent). The Tax Revenues are irrevocably pledged in their entirety to the payment of the Bonds or to the Reserve Account by transfer, so long as any of the Bonds remain outstanding or unprovided for. However, the Resolution provides for discretionary disbursement of a portion of the Tax Revenues to the Agency after certain coverage requirements and other conditions precedent have been met (see section below entitled "Creation of Funds and Accounts"—*"Surplus"*).

Under the provisions of the Community Redevelopment Law and the Redevelopment Plan for the Oil Field Redevelopment Project, taxes on property in the Project levied by any taxing agency will be allocated in the following manner commencing October 1, 1977:

(1) Taxes levied at the total prevailing rates each year against an amount equivalent to the recorded 1972/73 assessed valuation of property within the original Project (as determined by the Los Angeles County Auditor-Controller), the

1975/76 assessed valuation of property added to the Project, less the valuation of property deleted from the Project in December of 1976 (collectively, the "frozen base"), will continue to be paid into the funds of the respective taxing agencies.

(2) Taxes derived from increases in the assessed valuation of property within the Project above the frozen base occurring for any reason (the "Tax Revenues") will be deposited in the Special Fund of the Agency, held and administered by the Fiscal Agent for payment of the Bonds.

The Bonds are special obligations of the Redevelopment Agency of the City of Santa Fe Springs and as such are not a debt of the City of Santa Fe Springs, the State of California, or any of its political subdivisions. Neither the city, state, nor any of its political subdivisions are liable for their payment. These Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The validity of the Bonds is not dependent upon the completion of the Project or upon the performance by anyone or his obligation relative to the Project.

Creation of Funds and Accounts

The Resolution provides for the establishment of funds and accounts to be held by the Fiscal Agent for the administration and control of the proceeds obtained from sale of the Bonds, any other funds allocable to the Project, and from the pledged Tax Revenues. Specific aspects of these funds and accounts are described as follows.

The Redevelopment Fund—Moneys deposited in the Oil Field Redevelopment Project Redevelopment Fund from Bond proceeds and any other sources, if required by the Agency, shall be used for the purpose of aiding in financing the Project. All moneys in excess of those required to complete the Project may be transferred from the Redevelopment Fund to the Special Fund, or be held in the Redevelopment Fund to assist in financing subsequent phases of the Project, if any, as determined by the Agency.

The Special Fund—Under the provisions of the Resolution, the Agency authorizes and directs the payment of Tax Revenues, as defined in a preceding section, directly to the Fiscal Agent for deposit in the Oil Field Redevelopment Project Special Fund.

So long as any of the Bonds are outstanding, moneys in the Special Fund shall be set aside in the following special accounts and be used in the following order of priority:

(1) *Interest Account.* On or before the last day of May 1978, and the last days of each November and May thereafter, the Fiscal Agent shall set aside from the Special Fund in the Interest Account an amount sufficient to pay the aggregate interest on all of the outstanding Bonds on the next succeeding interest payment date. Any funds so set aside shall be applied solely to the payment of interest on the Bonds when due (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(2) *Principal Account.* On or before the last day of each November, commencing November 30, 1978 and ending November 30, 1988, the Fiscal Agent shall set aside from the Special Fund in the Principal Account an amount sufficient to pay the aggregate yearly principal becoming due and payable on the outstanding Serial Bonds on the next principal payment date. All funds in the Principal Account shall be applied solely for the payment of principal of the Serial Bonds when due and payable.

(3) *The Reserve Account.* After making the foregoing deposits, the Fiscal Agent shall set aside in the Reserve Account an amount sufficient to maintain the Minimum Reserve (as defined below) in said Reserve Account.

Moneys in the Reserve Account (initially equal to two times the maximum annual interest requirements on the Bonds) shall be withdrawn and used by the Fiscal Agent solely for the purpose of paying the interest on and principal of the Bonds, or for the purpose of retiring all of the Bonds at the time outstanding.

At all times, a Minimum Reserve (an amount equal to twice the maximum annual interest due on the Bonds) shall be maintained in the Reserve Account. Should the amount in the Reserve Account be less than the required Minimum Reserve, the Fiscal Agent shall restore the balance by transfer of the first available moneys in the Special Fund, or by transfer of any available moneys in the Sinking Account.

(4) *Sinking Account.* Commencing October 1, 1989, but only after making the deposits or transfers required under Paragraphs (1), (2) and (3) above, the Fiscal Agent shall set aside in the Sinking Account the following minimum principal amounts in each of the indicated years solely for the purchase or redemption of Term Bonds:

Year	Principal Amount	Year	Principal Amount
1989 ...	$180,000	1994 ...	$245,000
1990 ...	190,000	1995 ...	265,000
1991 ...	205,000	1996 ...	280,000
1992 ...	220,000	1997 ...	300,000
1993 ...	230,000		

The price of any Term Bonds purchased by the Fiscal Agent (including brokerage and other expenses, but excluding accrued interest which is payable from the Interest Account) may not exceed the principal amount of such Bonds plus the premium applicable on the next following redemption date. On October 1, 1989, or any October 1 thereafter, the Fiscal Agent shall apply all moneys available in the Sinking Account (if such moneys are sufficient to redeem at least $25,000 principal amount) to the call and redemption of Term Bonds on the next succeeding December 1.

The Fiscal Agent shall transfer any moneys in the Sinking Account to the Interest Account, the Principal Account or the Reserve Account if the required deposits to such accounts or the Reserve Account cannot be made from other sources of funds.

(5) *Surplus.* The Fiscal Agent on or before December 31 of each year, commencing December 31, 1977, shall ascertain the amount of Tax Revenues received or to be received during the then current fiscal year by the Agency based upon the most recent assessed valuation of taxable property in the Project (as certified by the Auditor-Controller of Los Angeles County), and shall estimate that portion of said Tax Revenues which will be in excess of 125% of the amount of principal, Sinking Account payments and interest which shall have come due or to become due during said fiscal year on the Bonds (and any additional bonds) then outstanding, and shall promptly notify the Agency of the excess portion so determined. The Agency may, by written notice to the Fiscal Agent within 30 days after receipt of such notification, direct that an amount not exceeding said excess portion: (a) be used for the purchase and/or call and redemption of outstanding Bonds; or (b) be paid to the Agency, which amount may be used by the Agency for any purpose authorized in the Law, provided that with respect to this subparagraph (b) the following conditions have been met: (i) The deposits required by the foregoing subsections (1), (2), (3) and (4) have been made so that the required amounts are in the above mentioned accounts as shown by a notification of the Fiscal Agent; (ii) the Agency shall have filed with the Fiscal Agent a certification to the effect that the Agency has actually incurred an obligation on behalf of the Project (other than the obligation created under the Resolution), and has no later than the next preceding October 1, filed such supporting documentation attesting thereto as the Auditor-Controller of the County of Los Angeles shall deem necessary; and (iii) the Fiscal Agent shall have certified that the Agency is not in default under the terms of the Resolution or the Bonds.

Upon receipt of the Tax Revenues, the Fiscal Agent shall make such payment or payments, as directed by the Agency.

Property Tax Limitations and Exemptions

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the particular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g. general obligation bonds or for voter approved pension plans.

Certain exemptions from property taxes have been granted to specific classes of property located in California. Revenues lost by local taxing agencies from two of these exemptions (the homeowners' property tax exemption and the business inventories exemption, which are discussed under the section "City Financial Data" in this official statement) are reimbursed by the State and are allocated to eligible redevelopment agencies in the same manner as locally collected taxes. Revenues lost as a result of other types of exemptions are not reimbursed, but assessed valuations of such exempt property are not reflected in either the frozen base roll or subsequent

years' rolls. There is no assurance that additional tax rate limitations or exemptions will not be approved, nor is there any assurance that revenues lost will continue to be reimbursed to local taxing agencies or allocated to redevelopment agencies. To the extent that such limitations or exemptions are approved, and reimbursement and allocation of lost revenues are not made, the security of the Bonds could be adversely affected.

Redevelopment agencies in California do not have the power to levy or collect property taxes, but must rely upon the taxes levied on property within a project by other taxing agencies for the production of Tax Revenues. The minimum tax rate for all purposes currently applicable to property located within the Project is $11.8064 per $100 assessed valuation. For the purposes of this official statement, projections of Tax Revenues to be allocated to the Agency in or for 1976/77 and subsequent years are based upon the lowest tax rates in effect for 1976/77.

On December 30, 1976, the Supreme Court of California affirmed a judgment of the Superior Court of California for the County of Los Angeles, holding the California system of financing public elementary and high schools, based on ad valorem taxation, invalid under the California Constitution. (Serrano v. Priest, ... Cal. 3rd ......). The judgment as affirmed permits the existing system of financing schools to continue to operate for a reasonable length of time until a constitutional system can be placed into operation, but in no event later than September, 1980. To the extent this decision and any future legislative or judicial action required to implement or enforce such decision may limit the ability of schools to continue to levy ad valorem property taxes for the support of education, Tax Revenues may be reduced, adversely affecting the security of the Bonds. The total 1976/77 tax rate for public elementary and high schools within the Project subject to such decision is $5.4446 per $100 assessed valuation within a portion of the Project, and $5.7095 within the remainder.

Issuance of Additional Bonds

The Agency may, by Supplemental Resolution, issue Additional Bonds to pay the costs of the Project (including subsequent phases of the Project, if any) provided:

a. The Agency must be in compliance with all covenants set forth in the Resolution.

b. The Reserve Account must be increased, if necessary, by an amount sufficient to maintain the Minimum Reserve (twice the maximum annual interest due on the Bonds and any Additional Bonds).

c. The Additional Bonds must mature on December 1, and interest thereon is to be payable June 1 and December 1 of each year, except the first year, which may be payable at the end of said year.

d. Tax Revenues produced or to be produced from the most recent equalized assessed valuation of taxable property located in the Project, as reported by the Auditor-Controller of Los Angeles County (including an allowance for estimated Tax Revenues to be derived upon completion within three years of the date of such Additional Bonds for construction in progress), are at least equal to 1.25 times the assumed average annual debt service on all series of outstanding Bonds and the Additional Bonds proposed to be issued, as opined to by an independent certified public accountant or firm of certified public accountants employed by the Agency (the computation of assumed average annual debt service is to be made on the basis of approximately equal annual payments of principal plus interest over the entire term of the Bonds and the Additional Bonds proposed to be issued). For purposes of this computation, taxable property shall include assessed valuations of property exempt from local property taxation by reason of the homeowners' and business inventories exemptions and any other exemptions subsequently enacted by the State Legislature or mandated by judicial decision, to the extent that in-lieu payments for any such exemptions are made to the Agency.

The Agency may, at some future date, issue Additional Bonds to finance subsequent Project expenditures, if any, but does not anticipate that such Additional Bonds would be issued within the next 12 months.

Refunding Bonds

Existing State Law provides that refunding bonds secured by Tax Revenues derived from the Oil Field Redevelopment Project may be issued for the purpose of refunding all or any series of the Bonds then outstanding.

Certain Covenants of the Agency

Certain covenants of the Agency under the Resolution are summarized in the following paragraphs.

1. The Agency will punctually pay, or cause to be paid, the principal of and interest on the Bonds as they become due.

2. The Agency will not encumber, pledge, or place any charge or lien upon any of the Tax Revenues superior to or on a parity with the pledge and lien created in the Resolution except as provided in the Resolution.

3. The Agency will deposit and use the Bond proceeds as provided in the Resolution, and will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner and will keep such properties insured at all times in conformity with sound business practice.

4. The Agency will pay and discharge, or cause to be paid and discharged any governmental charges imposed, and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge which might impair the security of the Bonds. The Agency does not, however, covenant to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

5. The Agency will keep proper books of accounts and will cause to be prepared within 120 days after the close of each fiscal year complete financial statements, in reasonable detail, on the Project, the Tax Revenues and other funds and accounts as provided in the Resolution, all as certified by an independent certified accountant, or firm of independent certified accountants. The Agency will furnish a copy of such statements to any Bondholder upon written request. Said books and accounts will be maintained separate and apart from those of the City of Santa Fe Springs.

6. The Agency will carry out to completion with all practical dispatch the Project, and the Project will be accomplished and completed in a sound and economical manner and in conformity with the Redevelopment Plan, and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the Law, but no such amendment may be made which would substantially impair the security of the Bonds or the rights of the Bondholders.

7. If all or any part of the Project owned by the Agency shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom shall be deposited with the Fiscal Agent in the Special Fund for the purpose of paying principal of and interest on the Bonds subject to the terms, conditions and requirements contained in the Resolution.

8. Whenever any property in the Project has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of Santa Fe Springs or a public instrumentality thereof), or whenever the Agency leases real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with Section 33673 of the Health and Safety Code of the State of California), and the lease or contract shall provide: (a) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of their leasehold interest, and (b) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease or contract shall be less than the taxes which would have been payable upon the assessed value of the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Agency within thirty days after the taxes for such year become payable to the taxing agencies and in any event prior to the delinquency date or dates of such taxes established by law. All such payments to the Agency shall be treated as Tax Revenues and shall be deposited by the Agency in the Special Fund held by the Fiscal Agent.

9. The Agency will not dispose of more than 10% of the land area in the Project (other than property shown by the Redevelopment Plan in effect as of the date of the Resolution as planned for public use, or for such other limited public uses as specified in the Resolution) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the Bondholders will be substantially impaired.

10. The Agency will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

11. The Agency will not invest or cause to be invested proceeds of the Bonds in a manner which would result in the Bonds becoming taxable arbitrage bonds within the meaning of Section 103(c) of the

Internal Revenue Code, as amended, and applicable regulations adopted thereunder.

Deposit and Investment of Moneys in Funds

Subject to the provisions of the Resolution all moneys held by the Fiscal Agent in the Redevelopment Fund and the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent) and shall be secured at all times by bonds or other obligations which are authorized by law as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the Agency shall, be invested by the Fiscal Agent in certain Federal securities as described in the Resolution.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof or to the Fiscal Agent. Investment income from moneys in the Reserve Account in excess of the Minimum Reserve may, at the request of the Agency, be transferred to the Redevelopment Fund, and investment income from moneys in the Redevelopment Fund may be so transferred to the Reserve Account.

For the purpose of determining at any given time the balance in such fund, any investment constituting a part of such fund shall be valued at the estimated market value of such investment.

Event of Default—Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding;

(4) The assumption by any court of competent jurisdiction, under the provisions of any law for the relief or aid of debtors, of custody or control of the Agency or the whole or any substantial part of its property if such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

In the case of an event of default, the Fiscal Agent may, and upon written request of the holders of not less than 25 percent in aggregate principal amount of the Bonds at the time outstanding must, declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default, the Fiscal Agent may, and upon written request of the holders of not less than 25 percent in principal amount of the Bonds then outstanding must, proceed to protect or enforce the rights of the Bondholders by whatever appropriate judicial proceeding or proceedings the Fiscal Agent deems most effectual.

In the event that the Fiscal Agent, upon the occurrence of an event of default, shall have taken some action, it shall have the full power, in the exercise of its discretion, to continue, discontinue, withdraw, compromise, settle or otherwise dispose of such action unless, if the event of default is still in existence, and if at the time there has been filed with them the written request signed by the holders of at least 25 percent in principal amounts of the Bonds outstanding opposing such continuance, discontinuance, withdrawal, settlement or other disposal of such litigation, then the Fiscal Agent may not discontinue, withdraw, compromise, settle or otherwise dispose of any litigation, pending at law or in equity.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing enforcement of creditors' rights.

Amendment of the Resolution

The Resolution may be modified or amended only with the consent of the holders of 60% of all Bonds then outstanding (exclusive of Bonds owned by the Agency or the City) unless the modification or amendment is for the purpose of curing ambiguities or defects in the Resolution; or grants or confers upon the Bondholders additional rights, remedies, powers, authority or security, or to add additional covenants; or to provide for the issuance of additional bonds in conformity with the Resolution, in which case no Bondholder's consent is required. No modification or amendment of the Resolution shall, without the express consent of the Bondholder, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date, reduce the premium payable upon redemption thereof, extend the maturity of the Bonds or the time for paying interest thereon, reduce the percentage of consent required for amendment or modification of the Resolution, or change the monetary medium in which principal and interest is payable.

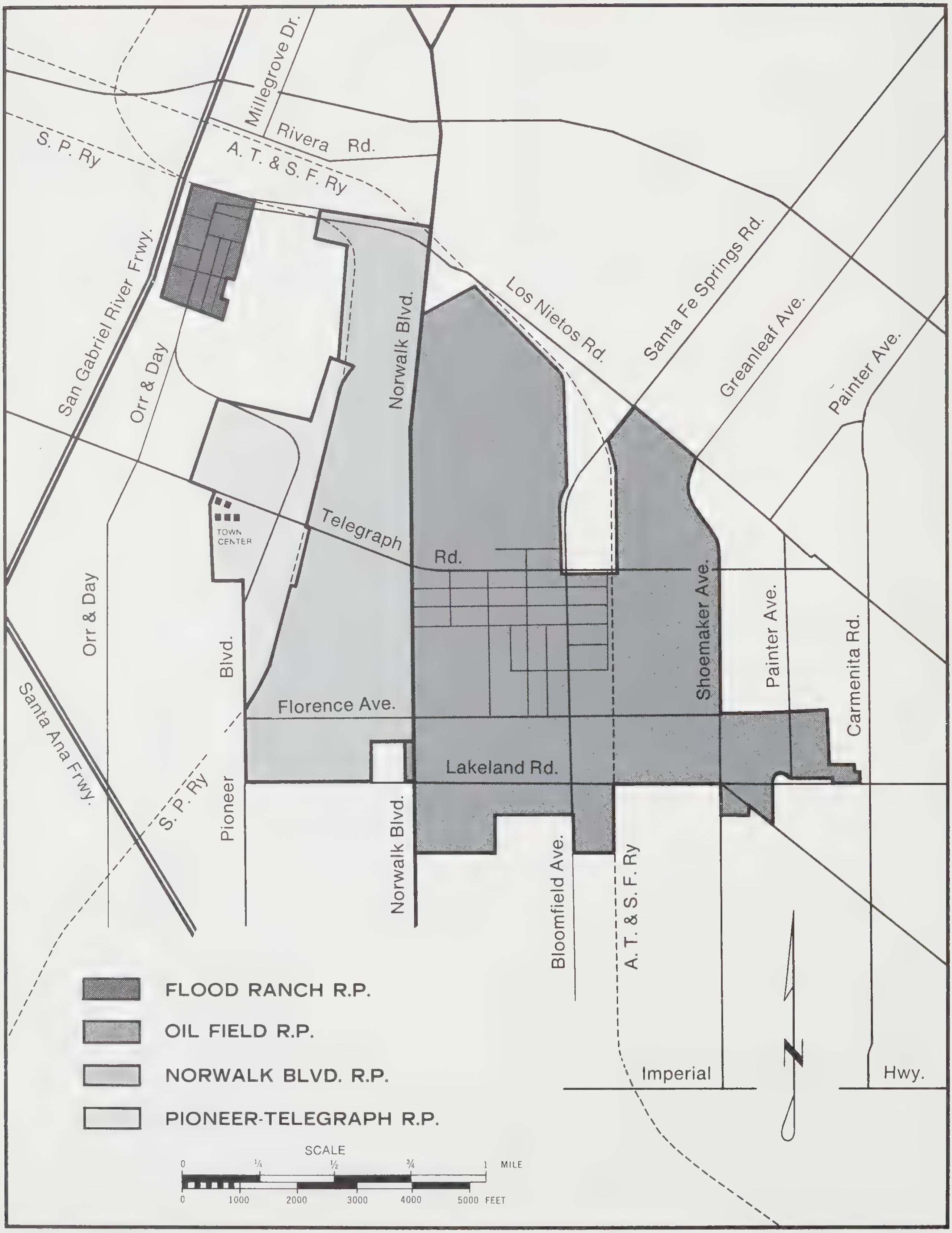

Diagram of the northwestern portion of the City of Santa Fe Springs which contains the four redevelopment projects of the Agency, as discussed in this official statement.

Diagram based upon official City maps

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

The Redevelopment Agency

In 1961, the Santa Fe Springs City Council took action that formally recognized the need for redevelopment of portions of the city. The Agency was created under the provisions of the Community Redevelopment Law by Resolution No. 642, approved and adopted by the City Council on April 27, 1961, and at the same time the City Council declared itself to be the Agency. The Agency appoints an Executive Director to implement Agency policies and administer redevelopment activities.

The Agency staff is organized as a division within the Department of Planning and Development, and the employees assigned to Agency activities are city employees. As such, these employees are under the city retirement system which is part of the State system, as detailed on page 36 of this official statement.

City staff provides technical services connected with the redevelopment projects, including fiscal services, engineering, planning, legal assistance and other functions necessary for project implementation.

The Director of Planning and Development, Mr. Richard H. Weaver, also acts as Executive Director of the Agency. He has been an employee of the city since 1958 in positions of successive responsibility. Mr. Weaver holds a Masters degree in Public Administration, and has gained 27 years experience in the field of planning and community development. Among other affiliations, he is past President of the California Planner's Foundation, a member of the Board of Directors of the League of California Cities, and a member of the American Institute of Planners, the American Society of Planning Officials, the American Society of Public Administration, and the International Federation for Housing and Planning. Other Agency staff members are trained and experienced in public administration, urban planning, and community development.

Agency financial records are maintained in the city's Finance Department under the supervision of the Finance Director, Mr. Donald M. Nuttall, who also acts as Treasurer of the Agency. Mr. Nuttall has served the city since July of 1966, and has gained a total of 21 years experience in the field of municipal auditing, accounting, budgeting and related activities. He is a Certified Public Accountant, with degrees in accounting and business administration, and is a member of the Board of Directors of the California Society of Municipal Finance Officers, and the Executive Committee of the National Council on Governmental Accounting.

Powers

All powers of the Agency are vested in its five members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and the power to issue bonds, notes or other evidences of indebtedness, and expend their proceeds. The Agency itself does not have the power to levy taxes.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefitting the Project, the Agency itself cannot construct any buildings contemplated under the Redevelopment Plan but must convey property in the Project by sale or lease at fair value, for private redevelopment in strict conformity with the Plan. The Agency may specify a period of time within which such development must begin.

Tax Allocation Financing

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon a prescribed allocation of property taxes collected within a project. The assessed valuation of taxable property within the project is in effect frozen at the level set forth in the assessment rolls last equalized prior to the effective date of the Ordinance adopting the redevelopment plan (and any

amendments thereto), and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against the assessed valuation of the project up to an amount equivalent to this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and pledged to the repayment of any indebtedness incurred in the development of the project. The county also distributes to the Agency the incremental delinquent taxes in the same manner when they are collected. After all indebtedness of the Agency for a given project has been repaid, the total taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtedness incurred in behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership, or as other land development activities result in a short-term reduction in assessed valuation. While assessed valuations are less than the frozen base, overlapping taxing entities receive only the taxes derived from the current tax rate applied against the actual assessed valuation. As an agency disposes of land to private ownership for purposes of redevelopment, it is returned to the tax rolls with an assessed valuation that usually reflects the higher level of planned use prescribed in the redevelopment plan. In the event that privately-owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate Tax Revenues from any new development will not be impaired.

It should be noted that assessed valuations may increase from new development for which an agency has no control or responsibility. Such development, if within a project area is, nevertheless available to secure any indebtedness of the particular redevelopment agency.

As previously stated, the Community Redevelopment Law authorizes the incurrence of indebtedness by a redevelopment agency, and the payment of debt service costs is permitted from any one or a combination of stated sources. The 1977 Tax Allocation Bonds now being offered for sale are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project (previously defined as the Tax Revenues) which are to be paid directly into the Agency's Special Fund established for the benefit of the Bondholders, and held by the Fiscal Agent. As discussed previously, Tax Revenues received each year in excess of one hundred and twenty five percent (125%) of aggregate annual interest and principal requirements on the Bonds (and for other required payments and deposits, if any) may be paid to the Agency by the Fiscal Agent, subject to certain conditions precedent.

Agency Financial Statements

The Redevelopment Agency of the City of Santa Fe Springs is a public entity separate and apart from the City of Santa Fe Springs, but is entirely staffed by employees of the city. All accounting records of the Agency operations are maintained by the city's Finance Department separately from the accounting records of the city. Prior to the 1974/75 fiscal year, the primary financial transactions of the Agency were in the Flood Ranch Redevelopment Project (a federally assisted project under the Urban Renewal Program), and Agency accounting records were subjected to federal audit. No independent audits were performed. During 1974/75, a final audit of this project was conducted by the Department of Housing and Urban Development, and the federal participation in the project was completed. Agency operations for the fiscal year ended June 30, 1975 were first reported in a separate audit prepared by Price Waterhouse & Co. Separate audits will be prepared for subsequent fiscal years, and as required by the Resolution, will be available to any Bondholder upon request within 120 days following the close of each fiscal year. The 1975/76 audit of the Agency (which includes comparative statements for the 1974/75 fiscal year) is reproduced in its entirety in this official statement. The accrual basis of accounting is followed by the Agency, and by the city with respect to the Redevelopment Revolving Fund (see next paragraph).

Pursuant to the provisions of Section 33620 of the California Health and Safety Code, a Redevelopment Revolving Fund was established in the Treasury of the city to account for advances made to the Agency from city general and special revenue funds. Cash advances to the Agency were recorded in the Revolving Fund, but expenditures made by the city on behalf of the Agency were not fully accumulated as an indebtedness of the Agency. The "prior period adjustment" reflected in Table 1-B (below), records these expenditures and accrued interest thereon as an indebtedness of the Agency. Such indebtedness is not formalized by an executed reimbursement agreement between the Agency and the city, but is based on accounting records maintained by both parties, and in accordance with statutory authorization. Moreover, the repayment of all such indebtedness to the city is subordinate to the payment of interest and principal of outstanding tax allocation bonds, if any, of the Agency issued on behalf of any of its redevelopment projects.

Agency financial records indicate the following history of total tax increment income received by the various redevelopment projects: 1968/69-$3,437; 1969/70-$0; 1970/71-$0; 1971/72-$51,105; 1972/73-$92,809; 1973/74-$328,701; 1974/75-$1,221,586; and 1975/76-$918,274 (a breakdown by project of tax increment income for 1974/75 and 1975/76 is presented in the audit of the Agency, below). The decline in total income in 1975/76 is solely attributable to the Oil Field Redevelopment Project, as discussed elsewhere in this official statement. Portions of such tax increment income have been paid to the city to reduce the Agency's indebtedness to the Revolving Fund which is held in the city Treasury and funded by the city. Such indebtedness of the Agency at June 30, 1976, after allowance for all repayments, is presented in Table 1-A, and confirmed in the audit of the Agency, as discussed below.

Table 1-A, 1-B and 1-C, below, present respectively the following information pertaining to the Redevelopment Revolving Fund for the fiscal years ended June 30, 1974, 1975 and 1976: (1) Balance Sheet as of June 30 for each year; (2) Statement of Changes in Fund Balance for each of the three fiscal years; and (3) Statement of Revenue and Fund Transfers for the three indicated years.

Audited financial statements of the Agency as of June 30, 1976 (including comparative statements for the period ending June 30, 1975) pertaining to its four redevelopment projects are presented on pages 17 through 21. Supplemental Information to the audit relating to outstanding tax allocation bonds issued by the Agency as of June 1, 1976 on behalf of the Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects is not included, since the Agency balance sheet and Note 2 of the Notes to Financial Statements reflect such indebtedness, cash held and reserves established by the Fiscal Agent. Data pertaining to bonds issued in 1977 on behalf of the Flood Ranch and Oil Field (proposed) Redevelopment Projects will be reflected in future audits.

Santa Fe Springs City Hall, part of the 12.9 acre Civic Center Complex.

Table 1

CITY OF SANTA FE SPRINGS

REDEVELOPMENT REVOLVING FUND

Balance Sheet

June 30 (Table 1-A)

	1976	1975	1974
Assets			
Accrued interest receivable	$ 154,319	$ 106,857	$ 40,306
Due from the Redevelopment Agency of the City of Santa Fe Springs	1,952,406	1,441,933	940,156
Total assets	$2,106,725	$1,548,790	$ 980,462
Fund balance	$2,106,725	$1,548,790	$ 980,462

Statement of Changes in Fund Balance

Year Ended June 30 (Table 1-B)

	1976	1975	1974
Fund balance at beginning of year	$1,548,790	$ 180,059	$ 337,408
Prior period adjustment			
Adjustment resulting from a change in the method of accounting for recoverable expenditures	—	800,403	737,081
Fund balance at beginning of the year as restated	—	980,462	1,074,489
Revenue and fund transfers	557,935	568,328	(94,027)
Fund balance at end of year	$2,106,725	$1,548,790	$ 980,462

Statement of Revenue and Fund Transfers

Year Ended June 30 (Table 1-C)

	1976	1975	1974 (restated)
Revenue			
Interest income	$ 109,001	$ 66,551	$ 58,322
Fund transfers			
From—			
General fund	58,449	430,448	5,567
Fiscal assistance act trust fund	620,365	91,329	5,000
Community development block grant fund	147,649	—	—
To—			
General fund	(373,445)	(20,000)	(162,916)
State gasoline tax fund	(4,084)		
	448,934	501,777	(152,349)
Total revenue and fund transfers	$ 557,935	$ 568,328	$ (94,027)

Source: 1974/75 and 1975/76 Annual Financial Reports, as audited by Price Waterhouse & Co., a copy of which is on file with the city.

Report on Audit of the Redevelopment Agency of the City of Santa Fe Springs

September 10, 1976

To the Board of Directors of the
Redevelopment Agency of the City
of Santa Fe Springs

We have examined the balance sheet of the various funds of the Redevelopment Agency of the City of Santa Fe Springs as of June 30, 1976 and 1975, and the related statement of revenue, expenditures, and changes in fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements examined by us present fairly the financial position of the various funds of the Redevelopment Agency of the City of Santa Fe Springs at June 30, 1976 and 1975, and the results of their operations for the years then ended, in conformity with generally accepted accounting principles consistently applied.

The accompanying supplemental schedules are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data. This information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ PRICE WATERHOUSE & CO.

(Note: The "supplemental schedules" referred to above are not reproduced in this official statement. This Note is not a part of the above letter or the following Report on Audit. Copies of the Annual Financial Report of the City of Santa Fe Springs, which includes the complete Report on Audit, are available upon request from the Agency.)

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

Balance Sheet

June 30

	Total		Redevelopment Project Trust Funds							
			Pioneer-Telegraph Fund		Oil Field Fund		Norwalk Boulevard Fund		Flood Ranch Fund	
	1976	1975	1976	1975	1976	1975	1976	1975	1976	1975
ASSETS										
Cash (including time deposits of $1,095,000 and $60,000)	$1,331,131	$ 389,856	$ 8,002		$554,676	$ 2,555	$ 584,613	$ 63,615	$ 183,840	$ 323,686
Due from other governments	99,020	180,004			99,020					180,004
Property taxes receivable		1,151,698		$ 81,785		645,212		245,951		178,750
Accrued interest	3,625				2,029		1,596			
Due from Pioneer-Telegraph Fund		148,506						148,506		
Land	51,738	20,887			51,738	20,887				
Deferred charges	85,967		33,326				52,641			
	1,571,481	1,890,951	41,328	81,785	707,463	668,654	638,850	458,072	183,840	682,440
Assets held by trustee (Note 2):										
Cash (including time deposits of $3,724,941)	3,975,789		1,112,272				2,863,517			
Accrued interest	5,264		1,366				3,898			
	3,981,053		1,113,638				2,867,415			
	$5,552,534	$1,890,951	$1,154,966	$ 81,785	$707,463	$668,654	$3,506,265	$458,072	$ 183,840	$ 682,440
LIABILITIES, RESERVE AND FUND BALANCE										
Liabilities:										
Accounts payable	$ 227,920	$ 78,737	$ 42,229	$ 194	$129,100	$ 393	$ 55,859	$ 135	$ 732	$ 78,015
Deposits	5,716				5,716					
Accrued interest payable (Note 3)	176,753	117,722	28,040	3,003	181	3,901	15,457		133,075	110,818
Note payable to bank		490,000								490,000
Due to Norwalk Boulevard Fund		148,506		148,506						
Bonds payable, less unamortized discount (Note 2)	3,819,469		1,187,667				2,631,802			
Due to City of Santa Fe Springs, excluding interest (Note 3)	1,952,406	1,441,933	520,418	105,338	147,650	159,154		15,932	1,284,338	1,161,509
Total liabilities	6,182,264	2,276,898	1,778,354	257,041	282,647	163,448	2,703,118	16,067	1,418,145	1,840,342
Reserve for debt service (Note 2)	874,941		272,131				602,810			
Fund balance (deficit)	(1,504,671)	(385,947)	(895,519)	(175,256)	424,816	505,206	200,337	442,005	(1,234,305)	(1,157,902)
	$5,552,534	$1,890,951	$1,154,966	$ 81,785	$707,463	$668,654	$3,506,265	$458,072	$ 183,840	$ 682,440

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30

	Total		Redevelopment Project Trust Funds: Pioneer-Telegraph Fund		Oil Field Fund		Norwalk Boulevard Fund		Flood Ranch Fund	
	1976	1975	1976	1975	1976	1975	1976	1975	1976	1975
Revenue:										
Tax increments	$ 918,274	$1,221,586	$ 149,950	$ 84,267	$148,403	$668,409	$428,497	$288,634	$ 191,424	$ 180,276
Grant from federal government		180,004								180,004
Interest and other income	58,594	15,382	2,680		27,528		27,861	9,932	525	5,450
	976,868	1,416,972	152,630	84,267	175,931	668,409	456,358	298,566	191,949	365,730
Expenditures:										
Administrative expenses	58,843	27,104	19,006	4,886	22,369	7,822	11,590	3,686	5,878	10,710
Capital expenditures	1,040,054	403,166	555,523	88,294	230,712	150,043	79,370	17,835	174,449	146,994
Interest expense	116,284	84,847	24,583	11,959	181	4,008	4,256	42	86,264	68,838
Other	5,470	4,795	650		3,059				1,761	4,795
	1,220,651	519,912	600,762	105,139	256,321	161,873	95,216	21,563	268,352	231,337
Excess (deficit) of revenue over expenditures	(243,783)	897,060	(448,132)	(20,872)	(80,390)	506,536	361,142	277,003	(76,403)	134,393
Fund balance at beginning of year	(385,947)	(1,283,007)	(175,256)	(154,384)	505,206	(1,330)	442,005	165,002	(1,157,902)	(1,292,295)
Reserve for debt service	(874,941)		(272,131)				(602,810)			
Fund balance at end of year	$(1,504,671)	$ (385,947)	$(895,519)	$(175,256)	$424,816	$505,206	$200,337	$442,005	$(1,234,305)	$(1,157,902)

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS
Notes to Financial Statements

Note 1—Nature of the Agency and Significant Accounting Policies:

The Redevelopment Agency of the City of Santa Fe Springs (the Agency) is a separate government entity established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law". Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Santa Fe Springs. The State Health and Safety Code provides that upon the approval of a redevelopment plan, all future incremental increases in the tax base within the designated project area will be paid to the redevelopment agency until all indebtedness incurred to finance the project has been paid.

The Agency is currently administering four redevelopment projects. Pioneer-Telegraph and Norwalk Boulevard projects were established in 1972 and the Oil Field project in 1973. The areas of the City defined by these projects include principally unimproved industrial properties. The fourth project, Flood Ranch, was established in 1966. The area of the City defined by this project is principally a residential district. A portion of the financing for this project was provided by the U.S. Department of Housing and Urban Development.

Significant accounting policies

Basis of accounting—The accrual basis of accounting is followed by the Agency.

Fund accounts—Each redevelopment project is a separate trust fund. When a project is completed and all indebtedness is paid, the Agency will abolish the fund and transfer any remaining assets to the City of Santa Fe Springs.

Land—Property acquired by the Agency which is to be held for resale is capitalized at cost.

Capital expenditures—Capital expenditures are not capitalized by the Agency. Expenditures which qualify for capitalization as fixed assets are conveyed to the City of Santa Fe Springs and are recorded in the City's fixed asset group of accounts. Such expenditures amounted to $700,681 and $96,169 during fiscal years 1976 and 1975, respectively.

Note 2—Bonds Payable:

Bonds payable at June 30, 1976 consist of the following:

	Total	Pioneer-Telegraph Fund	Norwalk Boulevard Fund
1976 Tax allocation bonds	$4,020,000	$1,250,000	$2,770,000
Less—Unamortized discount	200,531	62,333	138,198
	$3,819,469	$1,187,667	$2,631,802

The $1,250,000 and $2,770,000 principal amounts, respectively, of the Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects 1976 Tax Allocation Bonds, dated June 1, 1976 were issued in denominations of $5,000. Bonds are payable annually on December 1, from 1977 through 1988, with the remaining principal becoming due in 1996. Interest is payable semiannually on June 1 and December 1 in each year at the rates of 4% to 7%. The effective rate of interest on the bonds approximates 7¼% after deducting the original issue discount. Bonds maturing on or before December 1, 1988, total principal amounts of $520,000 and $1,150,000, respectively, are not subject to redemption prior to their fixed maturity dates. Bonds maturing on December 1, 1996 are subject to redemption as a whole or in part at the option of the Agency upon payment of a redemption price equal to the principal amount plus a premium of ½ of 1% of such principal

amount for each year or fraction thereof remaining between the redemption date and the date of maturity not to exceed a maximum premium of 3½%.

The bond resolutions related to the issuance of the 1976 Tax Allocation Bonds specified that the trustee, Bank of America National Trust and Savings Association, would establish certain funds, which for accounting purposes are allowed to be and have been treated as accounts and not as separate entities, as follows:

Redevelopment Fund—The proceeds from the sale of the bonds, except for the sum required to be placed in the Reserve Account of the Special Fund, are placed in the Redevelopment Fund. Moneys in the Redevelopment Fund are to be expended solely for the purpose of financing a portion of the cost of the redevelopment project and other related costs.

Special Fund—All tax revenues are initially deposited in the Special Fund. The bond resolutions require that the trustee maintain a minimum amount equal to 125% of the amount of principal and interest becoming due during the fiscal year on bonds then outstanding. The excess portion, at the request of the Agency, may be paid to the Agency for any purpose so long as the various deposits and reserve requirements have been met and there has been no material change in the status of the respective redevelopment projects. Within the Special Fund the bond resolutions established certain accounts as follows:

Interest and Principal Accounts—Deposits are made to these accounts on the working day prior to dates interest and principal become due and payable. Money in these accounts is used solely for the payment of bond interest and principal.

Reserve Account—The bond resolutions require that the trustee maintain a minimum balance equal to two times the maximum amount of annual interest on the bonds. Money in the reserve account may be used to pay the principal or interest on the last maturities of the bonds outstanding.

Sinking Account—Beginning November 30, 1989, the trustee will establish a sinking account with certain minimum deposits for the purpose of redeeming bonds becoming due and payable on December 1, 1996.

Note 3—Amounts Due to The City of Santa Fe Springs:

The City of Santa Fe Springs advances funds to the Agency from time to time as needed. Interest on such advances is accrued at 7% per annum and totaled $154,313 at June 30, 1976 and $106,857 at June 30, 1975.

End of Report on Audit

Agency Redevelopment Projects

Since April of 1966, the Agency and City Council have approved and adopted plans for a total of four redevelopment projects within the City of Santa Fe Springs. In order of adoption date, these projects are: (1) The Flood Ranch Redevelopment Project, adopted April 14, 1966 pursuant to Ordinance No. 290 of the City Council (as amended by City Council Ordinance No. 378 on April 9, 1970); (2) The Pioneer-Telegraph Redevelopment Project, adopted June 8, 1972 pursuant to Council Ordinance No. 422; (3) The Norwalk Boulevard Redevelopment Project, adopted July 31, 1972 pursuant to Council Ordinance No. 428 (as amended by City Council Ordinance No. 511 on December 14, 1976); and (4) The Oil Field Redevelopment Project, adopted August 9, 1973 pursuant to Council Ordinance No. 441 (as amended by City Council Ordinance No. 482 on August 14, 1975, and as further amended by Council Ordinance No. 510 on December 14, 1976). Summary information pertaining to these four projects is presented below, while more detailed data concerning the project for which the Bonds are currently being issued, as described in this official statement, is discussed in the following section hereof.

The Flood Ranch Redevelopment Project—This was the first redevelopment project adopted by the Agency, and is now essentially complete. Originally an area of older, deteriorating mixed residential, agricultural and other non-conforming or underutilized land uses, the project has been transformed into a modern, attractive residential area through the acquisition, clearance and redevelopment of blighted properties, installation of needed public improvements, and rehabilitation of approximately 37 percent of the pre-existing residential structures. Encompassing 65 acres, the Flood Ranch Redevelopment Project presently contains approximately 228 single family homes (of which 167 are newly constructed and 61 have been rehabilitated), and 275 new multi-family dwelling units.

Financing was provided under the Renewal Assistance Program administered by the Department of Housing and Urban Development, and from local sources. The final project capital grant and other payments from the federal government amounted to a total of $3,665,190, while the City of Santa Fe Springs had advanced a total of $1,369,622 through June 30, 1976. As shown in the audit of the Agency (commencing on page 17 hereof), the Flood Ranch Redevelopment Project was still indebted to the city for $1,284,338 as of June 30, 1976. Proceeds of $2,020,000 principal amount of 1977 Tax Allocation Bonds issued by the Agency on behalf of this project in January of 1977 have been applied to the repayment of city advances and for the construction of public improvements within the project. The 1976/77 assessed valuation of the project exceeds the base year valuation by $2,090,950, which at the current minimum tax rate applicable to property in the project, will generate $246,800 of pledged tax increment revenues per year, or approximately 1.46 times actual average annual debt service on the bonds issued on behalf of this project.

The Pioneer-Telegraph Redevelopment Project—As the Agency's second project, a 183-acre area of the city was designated as the Pioneer-Telegraph Redevelopment Project. The project area was found to contain a variety of blighting influences, including: improper traffic circulation and street development, improper and underutilized land uses, inadequate public utilities, and improper storm water drainage. With the exception of the Town Center complex of civic buildings, this project is intended for industrial park and office uses, and activities of the Agency are designed to permit and promote effective development of property within the project boundaries for authorized uses. When adopted in 1972, the project was approximately 27 percent developed (with nearly one-half of that in non-conforming uses), and the balance of developable land (107.5 acres) was largely vacant or underutilized.

In the implementation of the redevelopment plan for this project, the Agency plans to expend over the next several years approximately $3.0 million in property acquisition costs, and for the installation of needed public improvements and facilities to attract and foster private development. Sources of funds for such expenditures may include (but are not limited to): proceeds of tax allocation bonds issued by the Agency; application of tax increment income (excess Tax Revenues, if any) from this project; additional advances by the city; available state and federal aids and grants; and any other available sources of funds. The ultimate amount of any such expenditures is dependent upon the nature and scope of new development within the project. As of June 1, 1976, the Agency issued $1,250,000 of 1976 Tax Allocation Bonds on behalf of this project to provide funds for planned public expenditures.

At present, the County of Los Angeles has recorded an incremental assessed valuation of

$1,774,312 for the Pioneer-Telegraph Redevelopment Project over the base year valuation from new construction, additions, alteration of land uses, and increased valuation of existing property. The 1976/77 incremental assessed valuation of this project represents an increase of $459,212 over the valuation recorded at the time the bonds were sold. On the basis of the lowest tax rate applicable to property in the project in 1976/77 ($11.8064), Tax Revenues pledged to the payment of the outstanding bonds will cover actual average annual debt service by about 1.77 times. Minimum Tax Revenues to be received by the Agency in the 1976/77 fiscal year from the Pioneer-Telegraph Project are estimated at $209,400.

The Norwalk Boulevard Redevelopment Project—Virtually concurrent with adoption of the Pioneer-Telegraph Redevelopment Project, the Agency and City Council approved the 443-acre adjoining Norwalk Boulevard Redevelopment Project. The redevelopment plan for this project was amended on December 14, 1976 to add additional area. Although larger, this project suffered the same blighting characteristics, and also contained portions of an oil field with declining production which could be susceptible to release of surface rights for other uses or for joint usage. This project is also considered to be suited for industrial/office development, and has already attracted a variety of private developers who have initiated construction of major improvements within the project area. Prior to commitment of any significant amount of funds by the Agency, the assessed valuation of the Norwalk Boulevard Redevelopment Project increased from a base-year valuation of $4,347,390 to a current (1976/77) valuation of $14,827,811. The $10,480,421 increase occurred as a result of new development, additions, alterations, upgraded land use, and increased assessment of existing property. However, the assessment of property valued at $4,093,320 is in litigation over the amount of the assessment, and the county will not disburse any ad valorem taxes levied against this property until the matter is settled. As of June 1, 1976, the Agency issued $2,770,000 of 1976 Tax Allocation Bonds on behalf of this project, which provided net proceeds for planned expenditures of $2,272,042.

When the above-mentioned bonds were offered for sale, the incremental assessed valuation of the project amounted to $3,364,275, and Tax Revenues pledged to payment of debt service were estimated at about $358,200 per year, or 1.25 times assumed average annual debt service (after potential reduction of petroleum values that might have occurred in subsequent years). County assessed valuations in 1976/77 actually recorded an increase of $3,022,826 over 1975/76 (after deduction of the $4,093,320 of assessed valuation in litigation), and at the lowest rate applicable to property located within the project ($11.8064 per $100 assessed valuation) will generate at least $754,000 of Tax Revenues from the Norwalk Boulevard Project during the 1976/77 fiscal year. This amount is equal to approximately 2.89 times actual average annual debt service on the outstanding bonds.

The Oil Field Redevelopment Project—When adopted in August of 1973, this project contained an area of 589 acres immediately to the east of the Norwalk Boulevard Redevelopment Project. The project was amended in August of 1975 to include an additional 455 acres, which increased the total project area to 1,044 acres. An additional amendment was adopted on December 14, 1976 to delete approximately 80 acres from this project. Together with the Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects, this project completes the coverage of the major areas of comparatively undeveloped property in the city.

The $3,500,000 principal amount of 1977 Tax Allocation Bonds described herein are being offered by the Agency to finance the cost of property acquisition, construction of public improvements, establish a debt service reserve and pay the costs of Bond issuance. Details pertaining to the Oil Field Redevelopment Project, estimated Tax Revenues, anticipated debt retirement and other information is presented in the two following sections of this official statement.

Conclusion — The three adjoining redevelopment projects are readily accessible by means of multi-lane city streets to the Interstate 605 (San Gabriel River) and Interstate 5 (Santa Ana) Freeways, and by direct rail service via the Southern Pacific and Atchison, Topeka & Santa Fe Railroads. The existence of direct access to these surface transportation routes makes all three projects convenient to all points in the Los Angeles basin, northern California, and throughout the continental United States. In addition, the Los Angeles/Long Beach Harbor complex and Los Angeles International Airport both are within two hours (truck) driving time from the city. These transportation advantages are expected to add an impetus to development of the Oil Field Redevelopment Project, as well as the two redevelopment projects discussed immediately preceding.

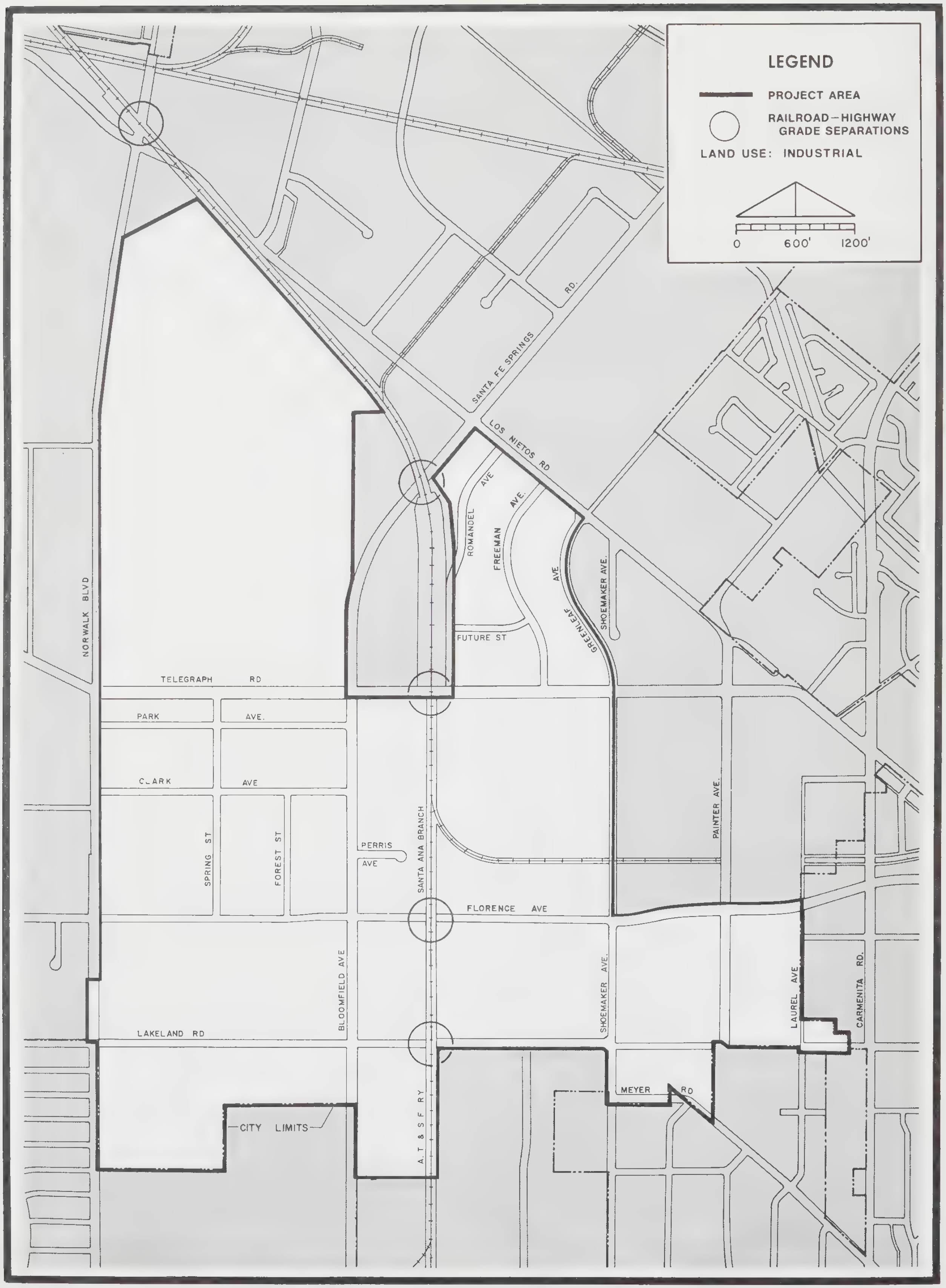

Diagram of the Oil Field Redevelopment Project.

THE OIL FIELD REDEVELOPMENT PROJECT

Background

The Redevelopment Plan (the "Plan") for the Oil Field Redevelopment Project was approved and adopted by the Agency and the City of Santa Fe Springs on August 9, 1973 pursuant to Council Ordinance No. 441. Subsequently the Plan was amended by Council Ordinance No. 482 on August 14, 1975 to add 455 acres to the original area of 589 acres. On December 14, 1976, the City Council adopted the second amendment to the Plan by Ordinance No. 510 which deleted approximately 80 acres from the Project. The effect of the 1975 amendment on Project assessed valuations was first reflected in the 1976/77 County tax rolls, while the 1976 deletion will be first reported by the County on the 1977/78 rolls.

Conditions within the Project area prior to adoption of the Plan (and the first amendment thereto) met the statutory conditions of blight, which must be found to exist as a prerequisite to initiation of redevelopment activities. These conditions included under-utilization of property, inadequate traffic circulation, the existence of deteriorated oil production equipment, oil leases impeding other industrial development by restricting surface uses, inadequate public utilities to serve the area, improper storm drainage facilities, and other conditions deemed to be detrimental to the public safety and welfare.

Because of the high level of industrialization in other areas of Santa Fe Springs, the relatively undeveloped nature of the Oil Field Redevelopment Project (and the adjoining Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects), and the convenient freeway and rail access, the Agency determined that the Project area had a high potential value for quality office and industrial development. Such findings have been borne out by the type of development that has occurred within the Project since adoption of the Plan (as amended), as indicated below.

Project Description

The Project is an irregularly shaped area (see diagram on page 24) presently covering approximately 964 acres in east-central Santa Fe Springs. In general, the Project is bounded by Norwalk Boulevard on the west, Los Nietos Road and the Atchison, Topeka and Santa Fe Railroad trackage on the north, city boundary limits on the south, and by various city streets on the east. Direct freeway access is provided by Telegraph Road which bisects the Project east and west. The Project area is within one-half to one mile of Telegraph Road shopping conveniences and the 12.9 acre Town Center complex where the city's civic buildings and other public facilities are located. Since adoption of the original Plan in 1973, more than $3,100,000 of new private development has been completed or is currently in progress (exclusive of valuations for land, furnishings, fixtures and inventories), and construction plans for additional development valued in excess of $790,000 are currently under review by the city pending issuance of building permits. Consistent with land uses specified in the Plan, new construction within the Project has been industrial, warehouse and office buildings.

The major impediment to full development of the Project is the under-utilization of surface rights on oil producing property. The Santa Fe Springs oil field underlies the Project, and approximately 35 percent of surface lands are controlled by petroleum interests. Property ownership is highly fragmented which discourages land assembly for other uses by private interests. Petroleum production from the field has been declining in recent years, although secondary recovery processes have been instituted that may extend productivity for some time to come. There are, however, many idle wells and unused oil facilities which could be removed to permit a higher class of use of the surface rights. The city's oil and gas code promotes such up-graded uses, and the Agency is actively negotiating for the consolidation and development of these surface rights. A portion of the Bond proceeds will be applied to property acquisition in order to facilitate and hasten the assembly of property into industrial-size parcels.

The first development to feature assembly of surface rights for industrial development with consolidation and retention of petroleum production is a 73-acre industrial park being developed by The Lusk Co., a major property development firm in Southern California. A 61-lot industrial subdivision

Example of conditions existing within the Oil Field Redevelopment Project prior to adoption of the Redevelopment Plan.

has been approved for the Lusk Industrial Park, which also reserves 15 percent of the property for continued petroleum production. In addition to the business office of the developer, a 39,400 square foot warehouse has been completed with a value of $322,000 and four new buildings averaging 13,300 square feet each are undergoing permit review by the city. Construction values of the four proposed industrial buildings are stated at an aggregate amount of $600,000 in the building permit applications.

Other new development within the Project since 1973 includes 10 industrial buildings (249,200 total square footage) valued at $1,574,025, two warehouses with an aggregate of 84,400 square feet valued at $597,000, and three manufacturing plants valued at $535,000 containing a total of 54,700 square feet and attendant office space. Existing property owners have also constructed a variety of improvements, additions and alterations within the Project area.

It is estimated that private improvements having a market value in excess of $960,000 were under construction or approved as of March 1, 1977 (the lien date for property to be assessed by the county on the 1977/78 tax rolls), and will be partially reflected on such rolls in 1977/78. The valuation at completion is expected to appear on county tax rolls in 1978/79 and in subsequent years. At the current statutory assessment ratio (25 percent of full value), the assessed valuation of private construction in progress is estimated at $240,000 upon completion. As stated in the following section, these values are not considered in estimates of Tax Revenues to be derived from the Project, nor in estimates pertaining to the Debt Retirement Schedule for the 1977 Tax Allocation Bonds now being offered.

The major existing industrial operations within the Project are: The Powerine Oil Company which employs 722 at its refinery and oil storage facilities; Transcon Lines and Consolidated Freightways which respectively employ 450 and 437 at their truck terminals; and Pacific Clay Products Co., a brick and masonry manufacturer employing 388 persons.

Together with the neighboring Norwalk Boulevard and Pioneer-Telegraph Redevelopment Projects, the Oil Field Redevelopment Project completes an east-west, north-south coverage of vacant, improperly or under-utilized land within the City of Santa Fe Springs that is capable of comparatively rapid development into industrial/office uses without significant removal of existing residents, property owners or tenants. Only 13 residences are located in the Project, of which nine are ultimately to be removed and four will remain as caretakers' residences. Few substandard industrial structures or facilities have been noted in Agency surveys (other than abandoned or unused oil field facilities), which indicates a minimum in relocation payments. Since adop-

tion of the respective redevelopment plans for these three adjoining projects, a significant volume of new development has occurred, as evidenced by the County Assessor's records and by city building permit statistics. It is expected that application of Bond proceeds for the proposed purposes outlined in Table 2 hereof will add impetus to the conversion of surface rights to higher classes of land use. In particular the proposed street improvements and railway grade separation projects will serve to improve access to the Project and nearby freeways.

Table 2

OIL FIELD

REDEVELOPMENT PROJECT

Application of Net Bond Proceeds

Street improvements	$ 800,000
Grade separations	750,000
Property acquisition	400,000
Utility installation and relocation	100,000
City repayments	110,000
Miscellaneous expenditures	615,000
Net Bond Proceeds	$2,775,000

Project Status

Through March 31, 1977, the Agency has expended $1,114,991 for the benefit of or on behalf of the Project, including $701,180 of specific outlays for capital improvements. The following summary presents the Project costs incurred by the Agency from city advances since the 1973/74 fiscal year, a portion of which may be reimbursed from proceeds of the 1977 Bonds. Part of the aggregate advances have been recovered from prior years' tax increment revenues.

Table 3

OIL FIELD

REDEVELOPMENT PROJECT

Summary of Prior Expenditures

Street improvements	$ 314,459
Assessment district contributions	19,130
Storm drains	336,347
Water mains	31,244
Property acquisition	343,688
Property maintenance	8,208
Administrative and other costs	61,915
Total Project Advances	$1,114,991

The Agency is currently proceeding with activities for ultimate redevelopment of the Project area, which include: Installation of public improvements (storm drains, water lines, utility installation and relocation, streets, railroad grade separations, and special assessment financing for additional street improvements); installation of landscaping and other visual improvements; acquisition of vacant undersize parcels; meetings with representatives of petroleum producers and landowners for removal of impediments to development, such as of deteriorated and under-utilized oil producing and processing facilities; negotiations with

A portion of the existing facilities of Powerine Oil Company, which are located within the Project area.

Recent industrial development within the Oil Field Redevelopment Project.

private developer(s) of property within the project; and negotiating with petroleum industry representatives to free surface rights of their property for a higher class of use. Portions of these activities have been financed with city advances summarized in Table 3, and portions will be met from proceeds of the Bonds now being offered for sale. As private development within the Project progresses, the Agency anticipates that additional public expenditures will be required which may be met from: Excess Tax Revenues from the Project, if any; additional city advances; and/or sale of additional tax allocation bonds. The Agency does not, however, anticipate that an additional series of tax allocation bonds will be issued on behalf of the Project within the 12 months following sale of the Bonds described herein.

As a result of the activities and expenditures by the Agency, 39 building permits have been issued for the construction of various improvements, additions or alterations within the Project valued at $3,111,625 (exclusive of increased land values, furnishings, fixtures or business inventories). Concurrently, the institution of secondary petroleum recovery processes has prompted the County Assessor to apply a higher assessed valuation to unrecovered petroleum (after a reduction in such values in the 1975/76 fiscal year). Unrecovered petroleum valuations are believed to have stabilized for at least the next few years, but there is no assurance as to the continued productivity of the Santa Fe Springs oil field nor of the continued success of secondary recovery procedures. Should petroleum production decline, it is reasonable to expect an increase in the value of surface rights as oil production is phased out and other land uses are implemented. The beginnings of this process have been noted with the establishment of the Lusk Industrial Park, as previously described, and may accelerate with a significant decline in petroleum production. Both the city and the Agency actively encourage conversion from intensive petroleum production to a compatible mixture of industrial development and consolidated oil pumping from productive wells.

In the 1976/77 fiscal year, the Project recorded an increase above combined base year assessed valuations of $5,657,259, exclusive of construction in progress. The Pioneer-Telegraph, Norwalk Boulevard and Oil Field Redevelopment Projects comprise a unified undertaking by the city and the Agency, and no one project is stressed over another. The ultimate development of the entire area encompassed by all three projects is the goal of the city. To facilitate and enhance the planned development, the Agency had previously issued its bonds on behalf of the Pioneer-Telegraph and Norwalk Boulevard Projects, and is currently offering the $3,500,000 of 1977 Tax Allocation Bonds on behalf of the Oil Field Redevelopment Project.

Environmental Considerations

The Redevelopment Plan, as amended, for the Oil Field Redevelopment Project is subject to the provisions of the California Environmental Quality Act (Public Resources Code of the State of California, Section 21000 et seq.). Consequently, the Agency has prepared the necessary Environmental Impact Reports, made the required findings, and has filed the respective Notices of Determination, as required by statute, with the Los Angeles County Clerk.

ESTIMATED TAX REVENUE AND BOND RETIREMENT SCHEDULE

Estimated Tax Revenues

All Tax Revenues (as previously defined) derived from the levy and collection of taxes on any increase in the assessed valuation of land, improvements, public utility and all other taxable property in the Project over and above the frozen base roll established by the county for such property are to be deposited in the Oil Field Redevelopment Project Special Fund on and after October 1, 1977, and applied by the Fiscal Agent to the payment of interest and principal on the Bonds and Sinking Account payments. If on each December 31 the Tax Revenues to be received in the then current fiscal year exceeds one and twenty-five hundredths (1.25) times Bond interest and principal payments (or minimum Sinking Account deposits) coming due within said current fiscal year, the Fiscal Agent may transfer such excess to the Agency under conditions specified in the Resolution and set forth in "The Bonds" section of this official statement.

Each annual levy of property taxes is made at the then applicable rate, but for the purpose of estimating future tax receipts and calculating an estimated Bond retirement schedule, the projection of Tax Revenues available for payment of Bond interest and principal is based on the lowest aggregate 1976/77 tax rate applicable to the 1976/77 incremental assessed valuation of the Project. The Project comprises a total of eleven tax code areas with aggregate tax rates ranging from a low of $11.8064 per $100 assessed valuation to a high of $12.1470 per $100 A.V. As mentioned previously, the present incremental assessed valuation amounts to $5,657,259 ($27,844,334 valuation for 1976/77, less adjusted base year valuation of $22,187,075, both as reported by the county).

Table 4 on page 30 presents the assessed valuations of the Project by class of property for the combined base year, the 1976/77 fiscal year, and the present incremental valuation. The estimated adjustment discussed below (which will occur in 1977/78) is also shown.

The current valuations do not, however, reflect the deletion of approximately 80 acres from the Project in December of 1976, which will be effective in 1977/78 and following fiscal years. The county will reduce the frozen base by the base year valuation of the deleted property, and will also eliminate the 1977/78 valuation of such property from the total Project valuation in the 1977/78 fiscal year. The effect of such action will be an equal reduction in both the frozen base and the 1977/78 Project assessed valuations (which will have no effect on the incremental assessed valuation), plus a deduction from the 1977/78 valuation representing the increment, if any, over the base year valuation of such property (which will have some effect on the total Project incremental assessed valuation, and thus on the Tax Revenues). The Los Angeles County Auditor-Controller has prepared a preliminary report indicating a frozen base reduction of $1,523,500 resulting from the 80 acre deletion. A corresponding reduction would be made in the 1977/78 assessed valuation of the Project, and an amount equivalent to any increase in assessed valuations of land, improvements and personal property within the deleted area would also be eliminated from the 1977/78 assessed valuation of the Project. Assessed valuations for 1977/78 will not be released until mid-August in the forthcoming fiscal year. Consequently, it is not possible at this time to ascertain the impact on assessed valuations, if any, that will occur as a result of the deletion of property from the Project.

Since inclusion of the now-deleted area into the Project, city building permits show that only minor building activity has occurred in this area that may generate an increase in assessed valuations. New construction has been continuing in remaining portions of the Project which will be reflected on the tax rolls in 1977/78, 1978/79 and in subsequent years. It is believed that these developments will more than offset any elimination of incremental assessed valuation caused by the 80 acre deletion. Moreover, estimated minimum actual 1976/77 Tax Revenues would cover assumed average annual debt service on the Bonds by about 2.02 times, providing a 100 percent margin of safety in the event Tax Revenues decline in future years for whatever reason.

Table 4

OIL FIELD REDEVELOPMENT PROJECT

Schedule of Assessed Valuations

	Frozen Base	1976/77 Actual	Incremental Valuation
Secured Roll①			
Land	$ 6,723,105	$ 6,566,175	$ (156,930)
Improvements	7,265,735	10,827,590	3,561,855
Personal property	2,362,775	2,821,295	458,520
Subtotal—Secured	$16,351,615	$20,215,060	$3,863,445
Unsecured Roll			
Land	$ —0—	$ —0—	$ —0—
Improvements	1,729,950	2,230,207	500,257
Personal property	4,105,510	5,399,067	1,293,557
Subtotal—Unsecured	$ 5,835,460	$ 7,629,274	$1,793,814
GROSS TOTAL	$22,187,075	$27,844,334	$5,657,259
Estimated deletion②	(1,523,500)	(1,523,500)	—0—
Net Total	$20,663,575	$26,320,834	$5,657,259

① Includes public utility valuations.

② Preliminary estimate of frozen base reduction which is also applicable to 1977/78 (1976/77 deduction shown above is for illustrative purposes only). Excludes any incremental valuation of deleted property.

Source: Los Angeles County Auditor-Controller, Tax Division.

On the basis of the current 1976/77 incremental assessed valuation of the Project and the lowest aggregate tax rate applicable to property within the Project ($11.8064 per $100 assessed valuation), it is estimated that the Agency could expect to receive at least $667,900 of Tax Revenues in 1976/77. The County Auditor-Controller reports that Tax Revenues would actually amount to $685,065. For the purposes of computing the estimated Debt Retirement Schedule (see Table 5, page 33), the smaller number has been used. At an income level of $667,900 per year, such Tax Revenue will cover assumed average annual debt service by about 2.02 times. Although private development is now under construction within the Project and will be reflected on the tax rolls in subsequent years, no allowance for increased assessed valuations is employed in the estimated debt retirement schedule. The possible effect on assessed valuations resulting from an 80 acre deletion of property from the Project has been discussed previously.

It should be noted that the County Auditor-Controller has withheld payment of 1976/77 Tax Revenues to the Agency, contending that the Project had not incurred an "indebtedness" on or prior to July 1, 1976, and the Agency was not, therefore, entitled to such Tax Revenues for said 1976/77 fiscal year. It is the Agency's position that an "indebtedness" may be incurred at any time during a fiscal year to qualify for Tax Revenues generated in that fiscal year. The matter has been referred to Los Angeles County Counsel for resolution. The term "indebtedness" applies not only to bonded debt but may also include loans or advances made to a redevelopment agency by the local community for the benefit of a particular project. Regardless of the outcome of the dispute, it is believed that the security of the Bonds will not be impaired for the following reasons: (1) Tax Revenues to be received for the 1976/77 fiscal year are not required for Bond retirement, nor are any such Tax Revenues to be deposited in the Special Fund if received prior to

Portion of the existing facilities of Transcon Lines, a major trucking firm, which are located in the Project.

October 1, 1977; (2) the schedule for sale and delivery of the 1977 Bonds described herein provides for a valid "indebtedness" to be incurred by June 30, 1977, thus assuring payment of Tax Revenues to the Agency in 1977/78 and following years; (3) the city has advanced more than $643,000 of funds towards Project costs in the 1976/77 fiscal year, which may be recovered from surplus tax increment revenues; and (4) legislation becoming applicable in the 1977/78 fiscal year establishes specific filing dates for "statements of indebtedness" by every redevelopment agency in the State of California, which is expected to supercede all criteria of the Auditor-Controller of Los Angeles County.

Under the foregoing circumstances, and on the basis of the recorded increases in Project assessed valuations, it is believed that the Project is capable of generating at least $667,900 per year at the present level of development. As previously stated, such revenues received on or after October 1, 1977 are pledged to payment of Bond interest, principal and Sinking Account deposits, and are equal to about 2.02 times such average annual amounts.

It should also be noted that assessed valuations of unrecovered petroleum have been, and may in the future be, subject to fluctuations in assessed valuations assigned by the County Assessor. Although there is no assurance that such valuations will remain the same or increase, it should be understood that estimates of Tax Revenues are predicated upon a continuation of such valuations within the Project or, alternatively, corresponding increases in the valuation of surface rights as the valuation of unrecovered petroleum decreases and higher classes of land-use are recorded. Historically, the County Assessor has increased the valuation of surface rights as petroleum operations have receded and surface development has occurred. It may be anticipated, but not assured, that the County of Los Angeles will continue to monitor and reflect on the assessment rolls all future conversions of oil property to surface uses.

Los Angeles County currently assesses taxable property within the Project at an average ratio of 27.5 percent of full value (except public utility property which is assessed by the State Board of Equalization at 25 percent of full value). In accordance with state statutory provisions any new construction (including utility property) must be assessed at 25 percent of full value. Property carried on the local secured, unsecured and utility rolls is assessed to the owner of record as of each March 1 (the "lien date") preceding the fiscal year commencing the next following July 1. Unsecured property taxes are due on the lien date and are payable by the next following August 31, while local secured and utility property taxes are due, one-half, on November 1 and February 1 of each fiscal year and become delinquent on December 10 and April 10, respectively. Tax Revenues are currently allocated to redevelopment agencies in the county in the following manner: Local secured and utility tax allocations are made by June 1 of each fiscal year; unsecured tax allocations are made by March 1 of each fiscal year, and the allocation of delinquent taxes is made by September 1 of the fiscal year next following the year of levy. The estimated Bond retirement schedule presented in the following section is based upon the foregoing schedule of tax allocations to the Agency.

Estimated Bond Retirement

Under the provisions of the Resolution, the Bonds will mature serially each December 1 in the years 1978 through and including 1988 in the amounts specified in "The Bonds" section of this official

statement, and in the aggregate principal amount of $2,115,000 maturing on December 1, 1997 (subject to minimum Sinking Account payments). As stated above and elsewhere herein, the Resolution permits withdrawal by the Agency of excess Tax Revenues from the Special Fund, subject to stated coverage requirements and other conditions precedent. The provisions of the Resolution require that the Fiscal Agent shall retain and accumulate each year in the Special Fund an amount equal to one and twenty-five hundredths (1.25) times Bond interest and principal (including minimum Sinking Account deposits) coming due within the then current fiscal year before any disbursements may be made to the Agency. The 25 percent retention (after debt service payments) is to be held by the Fiscal Agent and applied to redemption of Term Bonds maturing December 1, 1997 to the extent available, on the earliest call date (December 1, 1989), under the conditions specified in the Resolution. No such transfers of surplus may be made to the Agency unless the required deposits have been made to the Interest, Principal, Reserve and Sinking Accounts.

On the basis of current property tax rates applicable to, and the assessed valuation of, the Project, it is estimated that the entire issue of 1977 Tax Allocation Bonds may be retired by 1991 under the Estimated Debt Retirement Schedule presented in Table 5 on page 33, or six years prior to their final maturity date of 1997 (assuming the Agency applies all Tax Revenues and moneys in the Special Fund to the redemption of Term Bonds in each year after 1988, and does not make any permitted withdrawals from the Special Fund after such date).

Should the Agency issue any additional series of authorized Bonds, there is no assurance that the Term Bonds will, in fact, be retired in 1991. However, the conditions under which such Additional Bonds may be issued are designed and intended to prevent the dilution of the security afforded the holder of any of the then outstanding Bonds, and to assure payment by the established maturity dates. The Agency has no plans to issue additional bonds on behalf of the Project within the next 12 months.

Table 5 does not reflect the initial deposit into the Reserve Account of the Minimum Reserve (two times maximum annual interest requirements on the Bonds), since this amount is to be retained therein and, unless needed to cover any unanticipated deficiency in the Tax Revenues, will not be used until applied to the last payment of interest and principal on the Bonds (or additional bonds).

The estimates presented in Table 5 do not take into account interest earnings on the Redevelopment Fund or the Special Fund (including the Sinking Account), which in practice will be invested in accordance with the provisions of the Resolution. To the extent that such investment income is available, the retirement of principal through purchase or call may be accelerated over the retirement schedules presented in Table 5.

Estimated Tax Revenues are believed to be sufficient to meet all interest and principal requirements on the Bonds at the present level of Project development. It is believed that the Project is presently fully self-supporting (as to the payment of interest and principal on the 1977 Bonds) from Tax Revenues that could be derived from the current 1976/77 assessed valuation of the Project (after potential adjustments of assessed valuations, as previously discussed), and at the lowest 1976/77 aggregate tax rate applicable to property located within the Project. No estimates of increased assessed valuations from completion of construction in progress or approved are utilized in Table 5.

Continued development of the Project may require the future expenditure of public funds, which may be obtained from the proceeds of Additional Bonds. The issuance of Additional Bonds is governed by the conditions contained in the Resolution, and summarized herein, and will be offered for sale only if adequate security can be demonstrated at the anticipated time of sale, and if selected by the Agency as the appropriate method of financing. No valuations are assigned to potential development within areas of the Project which may occur in subsequent years, and which is not accounted for in this official statement. Any development or upgraded land-use of such property will be reflected in the greater magnitude in the increase of Project assessed valuations, resulting in a higher level of Tax Revenues than estimated herein, and which may serve as security for the issuance of Additional Bonds to the extent permitted under the Resolution. Any excess Tax Revenues which may be paid to the Agency, as provided in the Resolution and discussed elsewhere in this official statement, may also be used by the Agency to meet any subsequent costs of the Project, without incurrence of additional bonded indebtedness. At present, the Agency has no firm plans for the issuance of additional Bonds, but may apply such excess Tax Revenues to meet future Project costs, if any.

Table 5

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

$3,500,000 Oil Field Redevelopment Project, 1977 Tax Allocation Bonds

Estimated Debt Retirement and Cash Flow Schedule

Year Ending Dec. 1	Estimated Tax Revenue[1]	Bonds Outstanding[2]	Interest Estimated @ 6½%	Principal Retired	Premium for Redemption of Callable Bonds: Percent	Premium for Redemption of Callable Bonds: Amount	Total Bond Service	Cumulative Balance in Special Fund[3]	Annual Surplus[4]
Serial Bonds:									
1977	$333,950[5]	$3,500,000	$ 113,750[6]	$ —0—			$ 113,750	$ 28,438	$191,762
1978	667,900	3,500,000	227,500	90,000			317,500	107,813	271,025
1979	667,900	3,410,000	221,650	95,000			316,650	186,976	272,087
1980	667,900	3,315,000	215,475	100,000			315,475	265,844	273,556
1981	667,900	3,215,000	208,975	110,000			318,975	345,588	269,181
1982	667,900	3,105,000	201,825	115,000			316,825	424,794	271,869
1983	667,900	2,990,000	194,350	125,000			319,350	504,632	268,712
1984	667,900	2,865,000	186,225	130,000			316,225	583,688	272,619
1985	667,900	2,735,000	177,775	140,000			317,775	663,132	270,681
1986	667,900	2,595,000	168,675	150,000			318,675	742,800	269,556
1987	667,900	2,445,000	158,925	160,000			318,925	822,532	269,244
1988	667,900	2,285,000	148,525	170,000			318,525	902,163	269,744
Subtotal— Serial Bonds ...				$1,385,000					
Term Bonds:									
1989	667,900	2,115,000	137,475	1,380,000	3½%	$48,300	1,565,775	4,288	—0—
1990	667,900	735,000	47,775	605,000	3	18,150	670,925	1,263	—0—
1991	667,900	130,000	8,450	130,000	2½	3,250	141,700	—0—	527,463[7]
Subtotal— Term Bonds ...				$2,115,000					
			$2,417,350	$3,500,000		$69,700	$5,987,050		

[1] Based on Tax Revenues currently being generated by the Project, with no allowance for any increases which may result from new development, if any, or re-assessment of existing property. Pledge of Tax Revenues is irrevocable until Bonds of all series are retired or payment in full is provided for.

[2] Prior to retirement of principal in each indicated year.

[3] Provides for required retention of 25% of annual debt service in the Special Fund each year. Assumes full application of Tax Revenues and such retention to redemption of Term Bonds after 1988. Does not reflect permitted application of Reserve Account to final payments of principal and/or interest, nor interest earnings on investment of cumulative Special Fund balances.

[4] Available for distribution to the Agency under conditions described herein and in the Resolution, or to purchase, call and redeem Bonds.

[5] First-half of estimated 1977/78 Tax Revenues.

[6] Represents six months' interest accrued to December 31, 1977. Will actually be paid on June 1, 1978 as part of the first annual interest coupon.

[7] Available for distribution to other taxing agencies, to repay additional city advances to the Project, or to pay interest and principal of additional bonds, if any.

CITY FINANCIAL DATA

The Bonds are not a debt of the City of Santa Fe Springs and the following city financial data are included only for the purposes of providing general information.

Assessed Valuations

The City of Santa Fe Springs uses the facilities of Los Angeles County for the assessment and collection of taxes for city purposes. City taxes are collected at the same time and on the same tax rolls as are county, school district, and special district taxes. Assessed valuations of properties are the same for both city and county taxing purposes. The California State Board of Equalization reports the 1976/77 Los Angeles County valuations to average 27.5 percent of full value except for public utility property, which is reported to be assessed at 25 percent of full cash value by the state. Assessment ratios in 1975/76, the previous fiscal year, were 25.3 percent of full value for locally assessed property and 25 percent for state assessed property.

The California State Legislature adopted two types of state-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of $1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from state sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated or actual delinquencies. The summary at the bottom of the page presents the city's 1976/77 assessed valuation before and after giving effect to such state-reimbursed exemptions. Approximately 12 percent of the total valuation, as estimated by the city, represents residential property, and the remaining 88 percent is composed of commercial and industrial property.

Since 1971/72, the city's assessed valuation has increased 70 percent, as shown in the summary below.

Fiscal Year	Assessed Valuation*
1971/72	$157,563,091
1972/73	178,706,017
1973/74	185,923,960
1974/75	210,850,925
1975/76	233,145,304
1976/77	267,086,329

*Includes reimbursable exemptions.

Source: Los Angeles County Auditor-Controller.

Tax Rates

The basic City of Santa Fe Springs tax rate for the 1976/77 fiscal year has been set at $0.49 per $100 assessed valuation. The growth of assessed valuation and the ability of the city to finance much

CITY OF SANTA FE SPRINGS
1976/77 Assessed Valuation

Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured	$140,913,005	$16,334,300	$157,247,305
Unsecured	64,649,924	33,504,630	98,154,554
Utility	11,683,955	515	11,684,470
Totals	$217,246,884	$49,839,445	$267,086,329*

*Includes an aggregate 1976/77 incremental assessed valuation of $18,209,128 for the Agency's four redevelopment projects, the property taxes on which are not available to the city or other taxing entities.

Source: Los Angeles County Auditor-Controller.

of its development and service costs from other revenues have permitted this levy to remain at a constant $0.49 per $100/A.V. since 1961. Under statutory provisions applicable to General Law cities in California, Santa Fe Springs may levy property taxes for general purposes in the amount of $1.00 per $100 assessed valuation, subject to an inflation escalation formula prescribed in the applicable statutes. Thus, the city has an unused general purpose taxing power of at least 51 cents per $100/A.V., which would provide a minimum of $1,194,128 in additional revenues if needed (after deduction of redevelopment project incremental assessed valuations).

A total of 89 tax code areas have been established within the City of Santa Fe Springs for the 1976/77 fiscal year. The two largest, Code Areas 5922 and 6689, have assessed valuations of $55,624,960 and $36,803,828, respectively, or about 35 percent of the city's total assessed valuation. The tax rates applying within these areas are shown in the adjacent summary. Tax rates applicable to the Redevelopment Project described in this official statement are discussed elsewhere herein.

Tax Levies and Delinquencies

Taxes on the secured roll are payable in two installments on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed and payable on March 1 and become delinquent the following August 31 in the next fiscal year.

The tabulation at the bottom of this page shows the amount of secured taxes levied by the City of Santa Fe Springs since 1970/71 together with the amount and percent of current taxes delinquent on June 30 of each year. Over the six year period, the city's average annual rate of secured tax delinquency was 0.71 percent.

CITY OF SANTA FE SPRINGS

1976/77 Tax Rates

Tax Code Areas 5922 and 6689

	Code Area 5922	Code Area 6689
City of Santa Fe Springs	$ .4900	$ .4900
Los Angeles County—General	4.4576	4.4576
County Education Levy	.0565	.0565
School Districts	5.4446	5.6822
Community College Districts	.5722	.6898
Sewer Maintenance District	.0757	.0757
Mosquito Abatement District	.0048	.0048
Metropolitan Water District	.1700	.1700
Little Lake Cemetery District	—	.0136
Tax Rate on Total Valuation	$11.2764	$11.6402
County Flood Control District*	$ .3131	$ .3131
Sanitation District No. 18*	.2901	.2901
Water Replenishment District*	.0025	.0025
Total Rates	$11.8821	$12.2459

*Applies to valuation of land and improvements only.
Source: Los Angeles County Auditor-Controller.

CITY OF SANTA FE SPRINGS

Current Tax Levies and Delinquencies

Fiscal Year	City Secured Tax Levy	Collected June 30	Delinquent June 30	Percent Delinquent June 30
1970/71	$509,278	$505,047	$4,231	0.83%
1971/72	536,164	532,958	3,206	0.60
1972/73	592,656	588,094	4,562	0.77
1973/74	590,459	587,015	3,444	0.58
1974/75	653,622	648,995	4,627	0.71
1975/76	607,200	602,481	4,719	0.78

Note: Excludes state reimbursed exemptions and levies against incremental assessed valuations of redevelopment projects in the city.

Source: Los Angeles County Auditor-Controller.

Principal Taxpayers

The list enumerated below presents the 14 principal ad valorem taxpayers in the City of Santa Fe Springs, and the minimum assessed valuation of all property assessed against each.

CITY OF SANTA FE SPRINGS

Principal Taxpayers

Company	1976/77 Net Assessed Valuation
Gulf Oil Co.—California*	$14,321,175
Powerine Oil Co.*	7,824,265
Southern California Edison Co.	5,843,995
General Telephone Co.	3,559,680
Southern Pacific Land Development Co.*	3,050,550
Safeway Stores, Inc.*	2,754,750
CPC International, Best Foods*	2,413,705
Certified Grocers of California*	1,767,070
General Motors Corp. Parts Division*	1,517,750
Sears, Roebuck & Co.*	1,408,150
Vornado, Inc.*	1,391,750
Southern Pacific Transportation Co.	1,252,780
Transcon Lines*	1,223,825
Central Plants, Inc.*	1,151,000

*Derived from a visual inspection of the Los Angeles County Secured Tax Roll. The above are minimum values.

Sources: State Board of Equalization (utility values) and Los Angeles County Assessor (other values).

Retirement System

Employees of the city, which include the employees assigned to the Redevelopment Agency, participate in a defined-benefit pension plan which is administered in accordance with a contract between the city and the State of California Public Employees' Retirement System ("PERS"). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Benefit Technology (formerly Actuarial Systems, Inc.), independent actuaries and consultants, has completed a review of PERS' actuarial experience for the four-year period ending June 30, 1973. The most recent actuarial valuation of PERS was made as of June 30, 1975 by the State's Actuarial Division. The state report identified an "unfunded supplemental liability" of $1,271,956,710, as of June 30, 1975, for the local miscellaneous employees group, which would include employees of the city, except public safety personnel. As of June 30, 1975, the "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety and County Schools), was $5,822,022,351. The report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95184.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it.

According to the City of Santa Fe Springs audited financial report for fiscal 1974/75 and 1975/76, the total pension expense for those years was $273,034 and $287,923, respectively, which includes amortization of past service costs by June 30, 1980. Pension costs are funded by monthly contributions to PERS. As of July 1, 1975, the excess of the actuarially computed value of vested benefits over the total in the pension fund for public safety members was approximately $3,300,000. The excess, if any, of the actuarially computed values of vested benefits over the amounts available in the pension fund for other employees was not determined as of June 30, 1975.

Deferred Compensation Plan

The City of Santa Fe Springs has made available for its employees a voluntary deferred compensation plan. Funds withheld per employee authorizations are invested in variable or fixed annuities with Lincoln National Life Insurance Co. and Beneficial Standard Insurance Co. Long term investments represent the cost of such annuities. Actual cash value of the annuities at June 30, 1976 was $144,536.

Contingent Liabilities

Under certain circumstances, employees of the city are permitted to accumulate vacation pay in excess of a normal year's accrual. It is anticipated that such accumulations, which amounted to approximately $36,000 at June 30, 1976, will be utilized in future periods by the employees or will be paid for at time of termination. In accordance with employment benefits granted by the city, the City

Manager and Department Directors will be paid for one-half of accumulated sick leave, to a maximum accumulation of 120 days, at time of termination. This accumulation amounted to approximately $51,000 at June 30, 1976.

Damage claims for $23,000,000, $13,000,000 in excess of the city's maximum liability insurance coverage of $10,000,000, have been filed against the city as a result of an automobile accident occurring on May 6, 1976. The claims have been denied by the city, and it is the opinion of the city's legal counsel that ultimate liability, if any, will be within the limits of the insurance coverage. It is the opinion of the City Attorney that liability arising out of all other claims against the city are adequately covered under insurance agreements.

Table 6

CITY OF SANTA FE SPRINGS

Revenues and Expenditures

General and Special Revenue Funds①

	1971/72	1972/73	1973/74	1974/75	1975/76
REVENUES:					
Property Taxes	$ 728,701	$ 817,245	$ 782,587	$ 835,389	$ 939,616
Sales and Use Taxes	2,179,735	2,579,574	2,828,301	3,140,858	3,388,455
Other Taxes	291,214	316,570	354,139	423,871	483,430
Licenses and Permits	107,284	154,446	144,948	117,072	118,278
Fines and Penalties	143,176	128,240	131,497	115,507	152,068
Use of Money and Property	34,244	66,028	151,769	141,258	64,201
From Other Agencies	577,195	1,251,901	1,478,046	1,300,022	1,392,397
Service Charges	114,246	62,214	62,478	119,607	194,681
Other	154,546	218,031	385,406	396,077	213,868
Total	$4,330,341	$5,594,249	$6,319,171	$6,589,661	$6,946,994
EXPENDITURES:					
General Government	$ 785,816	$ 935,949	$1,080,538	$1,308,851	$1,567,789
Public Safety	1,914,817	2,115,837	2,392,473	2,810,258	3,075,309
Public Works	1,026,217	987,712	1,735,093	1,548,012	1,391,128
Parks and Recreation	436,406	380,585	460,859	559,733	535,222
Libraries	153,586	173,308	201,147	212,580	224,740
Debt Service②	105,565	224,850	260,340	260,340	272,184
Contribution to Water Utility	29,145	—	—	—	—
Total③	$4,451,552	$4,818,241	$6,130,450	$6,699,774	$7,066,372

① Special Revenue Funds: Traffic Safety Fund, State Gasoline Tax Fund, County Aid to Cities Fund, and the Fiscal Assistance Act Trust Fund. Excludes water utility which is treated as a separate enterprise under provisions of the Water Revenue Bond Resolution.

② Lease payments for the city hall, Santa Fe Springs Park, city yard, Town Center Hall, and headquarters fire station. The city has no direct tax supported debt outstanding.

③ Total expenditures include capital outlays each year which are not reported separately in the annual audits. Capital outlays made from current or accumulated funds for the respective years are reported in the city's annual report to the State Controller, as follows: 1971/72—$631,843; 1972/73—$275,946; 1973/74—$862,692; 1974/75—$741,642; and 1975/76—$1,220,987.

Sources: City of Santa Fe Springs Annual Financial Reports (which contain the annual audit reports prepared by independent Certified Public Accountants retained by the city), and, in the case of footnote No. 3, the city's annual reports to the State Controller.

Revenues, Expenditures and Fund Balances

Table 6 on the preceding page represents a five-year summary of the city's revenues and expenditures for general and special revenue funds as extracted from the city's annual audit reports. As of the 1974/75 fiscal year, Santa Fe Springs changed its accounting and reporting procedures from the accrual basis to modified accrual basis for budgetary funds (the general fund, special revenue funds, and the debt service fund), as set forth in a pronouncement of the American Institute of Certified Public Accountants. All other funds, including the Redevelopment Revolving Fund, are maintained on the accrual basis. The city's fund balances as of June 30, 1976 were as shown below.

Additional example of new industrial development within the Oil Field Redevelopment Project.

CITY OF SANTA FE SPRINGS

Fund Balances as of June 30, 1976

Name of Fund	June 30, 1976
General Fund	$ 538,703
State Gasoline Tax Fund①	26,604
Fiscal Assistance Act Trust Fund①	24,904
Redevelopment Revolving Fund	2,106,725
Imperial Highway Grade Separation Construction Fund②	82,843

① Special Revenue Funds.

② Capital Project Fund.

Source: Annual Financial Report of the city (which contains the annual audit report prepared by independent Certified Public Accountants retained by the city).

Direct and Overlapping Bonded Debt

As of the date of this official statement, the City of Santa Fe Springs has no outstanding general obligation bonded debt. The city does, however, have a total of $3,830,000 of water revenue bonds currently outstanding which are secured by, and fully self-supporting from revenues of the water utility. Final maturity of these bonds is May 1, 1999. In addition, the city is obligated for certain annual lease payments as follows: (1) $11,597 per year through fiscal 1979/80 for rental of a computer and related facilities; (2) $92,400 per year through fiscal 1996/97 for rental of the City Hall/Santa Fe Springs Park; and (3) $167,940 per year through fiscal 2001/02 for rental of the City Yard/Town Center Hall/Headquarters Fire Station. Upon payment and expiration of the respective leases, ownership of all leased facilities will revert to the City of Santa Fe Springs. A statement of estimated overlapping bonded debt of the city is presented in Table 7.

Table 7

CITY OF SANTA FE SPRINGS

Estimated Overlapping Debt

Population	15,950①
1976/77 Assessed Valuation	$267,086,329
Estimated Market Value	$975,400,000②

Entity	Percent Applicable	Debt Applicable June 1, 1977③
Los Angeles County	.921%	$ 193,170
Los Angeles County Building Authorities	.921	1,173,621
Los Angeles County Flood Control District	.629	2,966,050
Metropolitan Water District	.576	3,122,663
County Sanitation District No. 18	17.284	236,791
Rio Hondo Community College District	16.140	970,014
ABC Unified School District	6.840	1,156,276
Norwalk-La Mirada Unified School District	26.318	1,696,514
Whittier Union High School District	23.679	727,182
Little Lake City School District	58.161	223,920
Los Nietos School District	68.300	245,880
South Whittier School District	44.100	381,906
Whittier City School District	.553	4,037
TOTAL OVERLAPPING BONDED DEBT		$13,098,024

	Ratio to		
	1976/77 Assessed Valuation	Estimated Market Value	Per Capita
1976/77 Assessed Valuation	100. %	② %	$16,745
Direct Debt	—0—	—0—	—0—
Total Debt	4.90	1.34	822

① Source: State Department of Finance as of January 1, 1976.

② Based on assessment ratios discussed on page 34 of this official statement.

③ Excludes revenue bonds and city lease-revenue bond obligations ($2,800,000), and Redevelopment Agency Tax Allocation Bonds outstanding and now being offered for sale. Excludes sales and repayments, if any, between December 27, 1976 and June 1, 1977.

City's Share of Authorized and Unsold Bonds:

Metropolitan Water District	$2,102,400
Los Angeles County Flood Control District	42,112
ABC Unified School District	79,002
Rio Hondo Community College District	82,000
South Whittier School District	152,145

THE CITY

The City of Santa Fe Springs is located 13 miles southeast of downtown Los Angeles, 18 miles north of Long Beach, and 410 miles south of San Francisco. Neighboring communities, clockwise from the east, are the Cities of Whittier, La Mirada, Cerritos, Norwalk, Downey, and Pico Rivera. The general area is highly developed and forms and integral part of the Los Angeles-Long Beach Metropolitan Area.

Urban development of Santa Fe Springs began in the early 1950's. During the ensuing years community pressures resulted in incorporation of the city on May 15, 1957. The new city covered 4.9 square miles and contained a population of 11,787. Santa Fe Springs now embraces 8.7 square miles and has nearly 16,000 people. About 82 percent of the city's total area is zoned for industrial use.

Santa Fe Springs operates as a general law city under the council-manager form of government. There are five city council members who are elected for alternating four-year terms. The mayor is selected annually from among their number by members of the council. Mr. Robert L. Williams, the City Manager, has been in charge of municipal affairs since 1962, and has more than 25 years experience in public administration. Advisory bodies to the City Council include the Planning Commission, Traffic Commission, Neighborhood Center Advisory Committee, General Plan and Community Development Committee, Street Naming Committee, Beautification Committee, Community Program Committee, Youth Advisory Committee, Sister City Committee and Historical Committee.

In 1962 the Planning Commission approved a General Plan for the city. This Plan was superseded by a new General Plan adopted by the City Council in 1973 and expanded by the adoption of additional elements in 1974. At the present time the planning staff, consisting of five full-time professional planners, is working with a consultant on the preparation of additional subject matter for possible inclusion in the General Plan.

Consistency and continuity of policy in Santa Fe Springs is demonstrated by the fact that three members of the City Council have served the city in that capacity since the incorporation of the city in 1957, two of whom were recently re-elected to four year terms. The term of the third member who has served since incorporation of the city has two years to run, and he, therefore, was not involved in the recent election. The fourth member has served for 12 years, and the fifth member, the former Chairman of the Planning Commission, was elected at the March 2, 1976 General Election.

The City of Santa Fe Springs is an equal opportunity employer and its own staff in the City Manager's office has developed and implemented an Affirmative Action Program which resulted in the city's receiving one of six Innovative Awards given in 1974 by the International City Management Association.

The city has 161 full-time employees, 87 part-time employees and an annual budget of $7.2 million in 1976/77. Fire protection is provided by a 69-member Fire Department operating from four modern fire stations. The city has a Class 3 fire insurance classification. A Paramedic Unit for emergencies is maintained by the Fire Department jointly with the City of Downey. The city contracts with the Los Angeles County Sheriff's Department for police protection services. Deputies serving the city operate from the nearby Norwalk and Pico Rivera stations. Public safety services provided under contract include helicopter patrols and around-the-clock general law enforcement. An area headquarters for the California Highway Patrol is also located within Santa Fe Springs.

The 17,400 square-foot Santa Fe Springs City Hall was dedicated in 1967. Designed in contemporary California architectural style by William L. Pereira & Associates, the building forms part of the 12.9-acre Santa Fe Springs Town Center, also occupied by fire station No. 4, the city library, a United States Postal Service facility, and Town Center Hall, a community building available for public and business use. Within the past year additions have been constructed to the city library and to the Neighborhood Center, a social services center in the city's northwestern residential area.

Population

The population of Santa Fe Springs, estimated at 500 persons in 1950, grew rapidly in the next dec-

ade, reaching 16,342 in the 1960 Federal Census. Primarily because of the removal of 334 homes for construction of the San Gabriel River Freeway (Interstate 605) through the western part of the city in the 1960's, the city's population dropped to 14,750 by the time of the 1970 Census. New residential construction since then, including new units in the Flood Ranch Redevelopment Project, has caused the population of the city to return to a level approaching that of the 1960 Census tabulation. Following is a summary of recent Federal Census reports and population estimates.

CITY OF SANTA FE SPRINGS

Population Data

Year	Population
1950	500①
1960	16,342②
1970	14,750②
1976	15,950③

Sources:

① City Planning Department estimate.

② Federal Census.

③ State Department of Finance estimate for January 1, 1976.

Because of the limited area available for residential use (9.42% of total zoned acreage) city planning officials anticipate no significant population changes in the future.

Housing

The 1970 Census of Housing reported 3,764 housing units in the city. More than 87 percent were single-family dwellings and over 77 percent were owner-occupied, with a median value of \$19,400. The median contract rent was \$130 monthly.

By January 1, 1976, available housing in the city had expanded to 4,323 units, and the proportion of single-family homes had declined to approximately 77 percent, according to studies of the Los Angeles County Regional Planning Commission.

Employment

The significant contribution to the area-wide economy by industrial and commercial activity in Santa Fe Springs is based on a highly skilled and diversified labor force drawn from the city and from the communities of Norwalk, Whittier, Pico Rivera and Downey, as well as the balance of the Los Angeles metropolitan area. The local labor market was last surveyed by state labor analysts in January 1971. The five communities then had a combined population of 596,900 and employment aggregating 197,500, with 30 percent of all workers in manufacturing, about 19 percent in retail trade, and 17 percent in services occupations.

LOS ANGELES-LONG BEACH LABOR MARKET

Non-Agricultural Employment By Industry

Annual Averages (000)

Industry	1972	1973	1974	1975	1976
Construction	100.6	110.2	105.1	96.1	96.4
Manufacturing—Durables	528.4	562.1	560.9	519.4	521.8
Manufacturing—Nondurables	251.5	265.1	268.3	255.2	270.5
Transportation, Utilities	171.3	178.9	178.8	174.9	173.3
Wholesale Trade	197.1	211.1	219.2	218.7	225.5
Retail Trade	460.1	478.6	481.9	478.2	488.8
Finance, Insurance	177.7	185.9	185.6	184.5	188.2
Services	566.1	606.1	627.5	633.7	647.4
Government—Federal	67.2	66.5	69.1	69.4	67.8
Government—State & Local	369.0	372.4	384.1	405.8	415.8
Other	10.6	10.5	10.9	11.0	11.3
Total	2899.6	3047.4	3091.4	3046.9	3106.8

Source: California Department of Employment Development.

Current employment estimates are available only for the Los Angeles-Long Beach Labor Market Area (Los Angeles County). Santa Fe Springs is within convenient commuting distance of all major employment centers in this highly developed and diverse labor market. Presented above are patterns of nonagricultural wage and salary employment by industry since 1972 in the Los Angeles-Long Beach Labor Market. Manufacturing provides more than one-fourth of all jobs in this category, with durable goods payrolls substantially exceeding non-durables. Next in number of workers are trade, services, and government occupations.

In March 1977 the seasonally adjusted unemployment rate for workers residing in Los Angeles County was 7.3%, compared with 9.1% in March 1976. The unadjusted rate was 7.7%, a significant drop from the 9.5% reported the previous March.

Largest employers in Santa Fe Springs are the following: Safeway Stores, Inc., which employs 800 at a food distribution center; Vornado, Inc. (owners of Builders Emporium and Two Guys), employing 645 at a hardware distribution center; Marshburn Farms, produce growers and packers with a payroll of 600; Sears, Roebuck & Company's department store, with 500 employed; and General Motors Parts Division, with 450 employees. Following is a listing of major employers in the community.

CITY OF SANTA FE SPRINGS

Principal Employers

200 or More Employees

Company	Product/Service	Number of Employees
Armco Steel Corp.—Fluid Packed Pump	Subsurface oil well pumps	300
Bell Brand Foods, Div. of Sunshine Biscuits, Inc.	Food products	300
Calweld, Division of Smith International, Inc.	Tunneling and drilling equipment	200
California Industrial Products, Inc.	Automotive fasteners	375
Central Industrial Engineering Co., Inc.	Steel fabricating and erection	275
City Transfer	Trucking and public warehouse	200
Consolidated Freightways, Inc.	General commodities trucking	437
J. M. Covington Corp.	Engineering and construction	300
General Motors, Parts Division	Auto parts and accessories	400
Gulf Oil of California	Petroleum refinery	280
Hood Corporation	Pipeline construction	400
I M L Freight, Inc.	General commodities trucking	265
Magna Corporation	Chemicals, electronics	250
Marshburn Farms	Produce growers and packers	600
McDowell-Craig Manufacturing Co.	Steel and custom office furniture	225
Nu Car Prep System, Inc.	Chrysler Motors prep center	350
Pacific Clay Products, Inc.	Clay products	388
Pacific Pipeline Construction Co.	Pipelines and underground conduits	300
Powerine Oil Co.	Oil refinery	722
Safeway Plumbing & Heating	Plumbing and heating subcontractors	400
Safeway Stores, Inc.	Food products distribution center	800
Sears, Roebuck & Co.	Department store	500
Southwest Forest Industries	Corrugated shipping containers	272
Standard Precision, Inc.	Precision ball bearing drawer slides	375
Steelform Contracting Co.	Concrete form work	250
Transcon Lines	Trucking	450
Union Oil Company of California	Oil and gas producers	225
U. S. Suzuki Motor Corp.	Motorcycles and snowmobiles	300
Vornado, Inc.	Warehouse and distribution center	500
Western-Allied Corp.	Mechanical contractors	200

Source: Santa Fe Springs Chamber of Commerce and Industrial League, Inc.

Industry

As early as 1907 and 1908 shallow wells were drilled in the area to explore for oil. In 1921, Union Oil Company made the first highly successful strike and by 1923 the Santa Fe Springs field was producing more than 10,000,000 barrels per month, accounting for about one-sixth of the U.S. oil production at that time. While oil extraction has since diminished considerably, high quality crude oil is still being produced.

There are approximately 4,000 acres in the city zoned for industry. About 32 percent of this land is vacant and available in parcels ranging in size from 7,500 square feet to 40 acres. Included in this land area are several industrial parks or districts. In 1975, typical sales prices for industrial land ranged from $50,000 to $85,000 per acre. The city is receptive to new industry, and cooperates with the Santa Fe Springs Chamber of Commerce and Industrial League in promoting a vigorous local industrial establishment.

Industry in Santa Fe Springs is well established and highly diversified. The list of leading employers on page 42 reflects the wide variety of industrial and consumer products manufactured in the city. Santa Fe Springs is a leading distribution center in the Los Angeles area.

About three years ago ground was broken for the Town Center Industrial Park and the Town Center Business Complex, adjoining developments located two blocks northeast of the Town Center. This area is now occupied by limited manufacturing, distribution, research, and office tenants.

Commercial Activity

Growth of taxable sales in Santa Fe Springs has outpaced the increase shown by Los Angeles County as a whole. In 1976 the city's total taxable sales volume topped $323 million, an increase of 7.2 percent over 1975. Between 1971 and 1976, the number of sales outlets under permit increased from 1,243 to 1,515. Nearly 84 percent of all outlets are non-retail establishments, reflecting the strong manufacturing and distribution base of the city. The following tabulation shows the growth of taxable sales since 1971.

Presented below is a tabulation of 1976 taxable sales in the city by type of business outlet.

CITY OF SANTA FE SPRINGS
1976 Taxable Transactions By Type of Outlet
(Dollars in Thousands)

Category	Permits	Taxable Transactions
Retail		
Apparel stores	14	$ 1,310
General merchandise stores	15	36,227
Drug stores①	5	3,509
Food stores①	19	7,464
Packaged liquor stores	10	3,264
Eating and drinking places	61	9,613
Home furnishing and appliance stores	16	2,418
Building materials and farm implement stores	23	21,976
Auto dealers and supplies	20	13,693
Service stations	35	8,310
Other retail	27	4,785
Total Retail	245	$112,569
All Other②	1,270	211,295
Total	1,515	$323,864

① Sales of food for home consumption and certain other items are not taxable.

② Principally manufacturers.

Source: State Board of Equalization.

CITY OF SANTA FE SPRINGS

Taxable Transactions

Year	No. of Permits	Taxable Transactions
1971	1,243	$182,510,000
1972*	1,298	217,547,000
1973	1,326	245,917,000
1974	1,346	278,160,000
1975	1,443	302,089,000
1976	1,515	323,864,000

*Sales of gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

Retail sales activity in the city is concentrated at three locations. Santa Fe Springs Shopping Center, located at Telegraph Road and Orr and Day Road, west of the Town Center, has Roberts Department Store, the Market Basket, Griffith's Drug Store, a Bank of America branch, a furniture store, and a number of specialty shops. At the eastern end of Telegraph Road, Sears and K-Mart anchor another active commercial area. The Sears department store, which employs 500 people, is located on an 18-acre site with 180,000 square feet of sales area and parking for over 1,100 cars. A third retail sales area is Whittier Downs, in the northern part of the city. At this location are Penney's, Thrifty Drug Stores, McCoy's Market, and other stores.

Construction Activity

The City of Santa Fe Springs receives a significant share of the new industrial and commercial investment flowing to the Los Angeles Metropolitan Area. For the five-year period 1972-76, the total valuation of building permits in the city exceeded $56 million. Nearly two-thirds of this dollar volume consisted of new industrial construction, and an additional 24 percent was made up of new commercial and other non-residential construction. The table above summarizes permit valuation by years during this period.

Residential permit valuation reached a record 395 units in 1972, with 60 new single family homes and 335 multi-family units. However, because of the lack of developable residential land in the city limits, residential permit activity has been minimal since that time.

For the first four months of 1977, the city issued 222 building permits with a total valuation of $7,906,920, as reported by the Department of County Engineer, County of Los Angeles. This compares with 140 permits and total permit valuation of $2,605,040 in the same period of 1976. For the current period, residential valuation comprises less than 9 percent of the total, and includes 7 single family homes and 2 buildings with 20 housing units.

Among large building permits issued by the city in recent months were $1,106,000 to Lucky Stores for a warehouse and office, and $1,706,000 to Safeway Stores for a warehouse.

CITY OF SANTA FE SPRINGS

Building Permit Valuation

(Dollars in Thousands)

Category	1972	1973	1974	1975	1976
Residential	$4,382	$ 165	$ 203	$ 273	$ 518
New Commercial	891	217	873	484	740
New Industrial	2,080	13,881	9,258	3,586	8,472
Other Nonresidential	1,623	2,291	2,213	2,101	2,365
Total Value	$8,976	$16,554	$12,547	$6,444	$12,095

Source: "California Construction Trends," Security Pacific Bank.

Transportation

Two interstate highways intersect at Santa Fe Springs, providing ready access to all segments of the extensive Southern California freeway network. Interstate 5 (the Santa Ana Freeway) connects Los Angeles County with Orange County and San Diego County to the south, and extends north through California's Central Valley to the Pacific Northwest. Interstate 605 (the San Gabriel River Freeway) links the San Diego, Riverside, Santa Ana, Pomona, and San Bernardino Freeways along its north-south route. Supporting the freeway routes and facilitating the flow of traffic through the community are Telegraph Road and Norwalk Boulevard, which intersect near the center of the city, as well as other major arterials.

Two railroads, the Southern Pacific Company and the Atchison, Topeka and Santa Fe Railway, provide service directly into Santa Fe Springs. Numerous spur lines furnish access throughout the industrial areas.

Truck freight service is available from over 40 nationwide and local motor freight carriers. Seven of these firms have more than 100 employees in Santa Fe Springs.

The City of Santa Fe Springs Free Tram Service provides intracity bus service primarily for the residential and commercial areas of the city. This service, which is provided on a contractual basis with the City of Montebello through a joint powers agreement, operates over a 16-mile fixed route, 360 days per year, nine hours a day. Interurban bus service is provided by the Southern California Rapid Transit District which has implemented a Mid-Cities Transit Improvement Program to improve the level of public transportation in Santa Fe Springs and neighboring cities.

Scheduled air passenger and cargo service is available at Los Angeles International Airport, 25 miles west, Long Beach Municipal Airport, 15 miles south, and Orange County Airport, 25 miles southeast, all accessible by freeway.

Deepwater shipping to coastal and worldwide markets is available at Los Angeles Harbor and Port of Long Beach. These adjoining marine terminals, 20 miles south of the city, are easily reached via interconnecting freeways.

Utilities

Utility services in the city are furnished by the following suppliers:

Water: City of Santa Fe Springs (serving about 90% of the city); San Gabriel Valley Water Company; and other private water companies.

Sewer: City of Santa Fe Springs and Los Angeles County Sanitation District No. 18.

Natural gas: Southern California Gas Co.

Electric power: Southern California Edison Co.

Telephone: General Telephone Co. of California.

Education

Public educational services in the City of Santa Fe Springs are provided by four elementary school districts, one high school district, and two unified (K-12) school districts. In addition, three private schools in the city offer instruction in the elementary, intermediate, and high school grades.

Within the city limits are three public elementary schools, two intermediate schools, two high schools (one a continuation high school), and an Adult Division Center operated by the Whittier Union High School District.

CITY OF SANTA FE SPRINGS

Public School Enrollment, Grades K-8

School Year	Little Lake School District (Grades K-8)	Los Nietos School District (Grades K-4)
1972/73	1,610	413
1973/74	1,713	390
1974/75	1,724	366
1975/76	1,636	360
1976/77	1,586	331

Source: School Districts noted above.

Shown above is a five-year record of enrollment for public elementary and intermediate schools located in the city. The Whittier Union High School District reports that Fall 1976 enrollment in Santa Fe High School, located in the city, was 2,282. Approximately 60 percent of students enrolled are residents of Santa Fe Springs. An additional 314 students were enrolled at Florence Continuation High School.

Among the private schools, St. Pius X (grades 1-8) reported enrollment of 666 in 1971/72 and 421 in 1975/76. The Santa Fe Springs Christian School (grades K-6) had enrollment of 165 in

1975/76. St. Paul (grades 8-12) reported enrollment of 1,290 in the 1975/76 academic year.

Public education beyond high school is available at Rio Hondo College (enrollment 14,782) in Whittier, and at Cerritos College (enrollment 22,348) in Norwalk. Both are two-year institutions supported by local taxes. Los Angeles County is the location of such well-known degree institutions as the University of California at Los Angeles (UCLA), the University of Southern California, Occidental College, Whittier College, Pepperdine University, the Claremont Colleges, and the California Institute of Technology at Pasadena.

Five campuses of the State University and College System are located in Los Angeles County, including the headquarters location in nearby Long Beach (enrollment 32,842). Other campuses are at Los Angeles, Northridge, Pomona, and Dominguez Hills. California State University, Fullerton (enrollment 21,809) is about 15 miles southeast of the city in Orange County.

Financial Institutions

Financial services in Santa Fe Springs are provided by the Bank of America National Trust and Savings Association, the Golden State Bank, the National Bank of Whittier and Allstate Savings and Loan Association.

Community Facilities

The 12.9-acre master-planned Town Center, located near the center of the city, contains five modern buildings. Adjacent to City Hall is the 19,000 square-foot Town Center Hall, a multipurpose community building which includes a youth center, music room, exercise room, arts and crafts facilities, various sized meeting rooms and a large social hall. The meeting rooms and social hall are utilized for community business and social affairs as well as for city activities. A 15,270 square-foot municipal library has been recognized with an Award of Merit presented by the American Institute of Architects. Other buildings in the Center house a city fire station and a U.S. Post Office.

The Neighborhood Center for Social Services, located about one mile north of the Town Center, provides physical health, mental health, employment, training, education, legal aid, youth and senior citizens services, and other social services. The excellence of the concept and function of this facility was the basis for which the City of Santa Fe Springs received its second All-America City Award in 1971.

The city is served by nine hospitals located in the surrounding area. Many medical centers, offering a variety of specialist services, are available nearby. Practicing in the city are 8 physicians/surgeons, 3 dentists, and 2 optometrists. Also in the city are four group practices specializing in industrial medicine.

In addition to the *Los Angeles Times* and other metropolitan dailies, the City of Santa Fe Springs receives newspaper coverage by the *Santa Fe Springs News,* a weekly paper. The *Daily News,* published in Whittier, is circulated widely throughout the city. The city is within broadcast range of Los Angeles radio and television stations.

Recreational facilities in the city include three public parks, ten lighted tennis courts, playgrounds and open turf areas, wading pools, handball courts and picnicking facilities. The picnic facilities are in great demand by local employee groups as well as resident families. The picnic area at Santa Fe Springs Park can seat 320 people and offers suitable cooking and serving facilities for groups of this size. A 15-acre par-three golf course and driving range is located in the city. Within five miles of the city are four country clubs with golf courses.

Among the many tourist and visitor attractions conveniently reached from Santa Fe Springs are the Queen Mary at Long Beach, Magic Mountain in Valencia, Marineland on the Palos Verde Peninsula, the Mount Wilson Observatory, the Los Angeles Music Center, Hollywood Bowl, movie studios, and a wide variety of intercollegiate and professional sports. In neighboring Orange County are Disneyland, Knott's Berry Farm, Lion Country Safari, and the Movieland Wax Museum, among other attractions.